

RENOWN INVESTMENTS (HOLDINGS) LIMITED

Company number: 683698

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1995**

**KPMG
Chartered Accountants
Registered Auditors
London**



RENOWN INVESTMENTS (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 1995

BUSINESS REVIEW

The company continued to carry out its principal activities, property development, investment and management.

The results for the year are set out in the Profit & Loss Account on page 4.

DIRECTORS

Directors who held office at the end of the year:

M F Burdes (appointed 26.9.95)
A C Lovell

P J Costain)
W Gerretsen) resigned 26.9.95

Directors' liability indemnity cover is maintained by the ultimate parent company, Costain Group PLC.

BY ORDER OF THE BOARD



B W RACE
SECRETARY

REGISTERED OFFICE

111 Westminster Bridge Road
London SE1 7UE

Date: **21 AUG 1996**

RENOWN INVESTMENTS (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 1995

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to ensure that those financial statements are based on suitable accounting policies consistently applied, are prepared on the going concern basis and are supported by judgements and estimates that are reasonable and prudent, and identify and explain any material departures from applicable accounting standards.

The directors are also responsible for keeping proper accounting records and they have general responsibility for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RENOWN INVESTMENTS (HOLDINGS) LIMITED

REPORT OF THE AUDITORS

For the year ended 31 December 1995

To the Members of Renown Investments (Holdings) Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

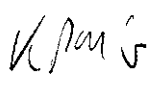
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors
LONDON

21 August 1996

[Date]

RENOWN INVESTMENTS (HOLDINGS) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 1995**

	Notes	1995 £	1994 £
Turnover	1	4,619,221	1,944,303
Cost of Sales		<u>(4,589,977)</u>	<u>(1,668,929)</u>
Gross profit		29,244	275,374
Administrative expenses		(2,055)	(10,042)
Loss on disposal of fixed assets		(1,446,834)	
(Loss)/Profit on ordinary activities before taxation from continuing operations		<u>(1,419,645)</u>	<u>265,332</u>
Taxation	4	<u>(60,888)</u>	<u>(115,260)</u>
(Loss)/(Profit) on ordinary activities after taxation		(1,480,533)	150,072
(Deficit)/Surplus for the year		<u><u>(1,480,533)</u></u>	<u><u>150,072</u></u>

There were no recognised gains or losses other than the loss for the year and prior year.

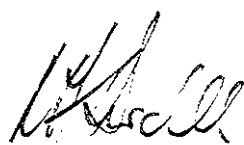
Movements on reserves are set out in note 10.

THE NOTES ON PAGES 6 TO 9 FORM PART OF THESE FINANCIAL STATEMENTS

RENOWN INVESTMENTS (HOLDINGS) LIMITED**BALANCE SHEET****As at 31 December 1995**

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	5	2,184,264	8,087,424
Current assets			
Debtors	6	2,608,936	3,274,879
		<u>2,608,936</u>	<u>3,274,879</u>
Creditors amounts falling due within one year	7	(3,797,648)	(221,078)
Net current assets		(1,188,712)	3,053,801
Total assets less current liabilities		995,552	11,141,225
Creditors amounts due after more than one year	8	-	(8,665,140)
		<u>995,552</u>	<u>2,476,085</u>
Capital and reserves			
Called up share capital	9	5,075,100	5,075,100
Profit and loss account	10	(4,079,548)	(2,599,015)
		<u>995,552</u>	<u>2,476,085</u>

The financial statements were approved by the Board of Directors on
and were signed on its behalf by:

21 AUG 1996**M F BURDES****Director****THE NOTES ON PAGES 6 TO 9 FORM PART OF THESE FINANCIAL STATEMENTS**

RENOWN INVESTMENTS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1995

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost accounting rules, modified to include the revaluation of certain investment properties (see investment properties note below).

Cash Flow Statement

As the cash flow statement in the consolidated accounts of the ultimate parent company, Costain Group PLC, complies with the conditions of Financial Reporting Standard No 1 ("FRS 1"), the company is exempt under FRS 1 from the requirement to prepare a separate cash flow.

Turnover

Turnover represents amounts receivable for letting of properties, and the sale of properties held for resale.

Investment Properties

Profits and losses on disposal of investment properties are calculated by reference to their carrying value.

Depreciation

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The directors consider that this treatment, which represents a departure from the Companies Act 1985, is necessary in order to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

Deferred taxation is provided at the latest relevant rates in respect of all timing differences which, in the opinion of the directors, are expected to reverse in the foreseeable future.

No provision is made for the potential liability of corporation tax on the unrealised revaluation surplus in respect of the investment properties as these are held as long term investments.

The investment properties which were sold during the financial year ending 31 December 1995 gave rise to no tax liability.

Stock

Stock is stated at the lower of cost and net realisable value.

RENOWN INVESTMENTS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 1995

2. Profit on ordinary activities before exceptional items

	1995	1994
	£	£
Profit on ordinary activities is after charging:		
Auditors remuneration - audit	1,500	1,500

3. Emoluments of directors

No emoluments were paid to the directors of the company during the year (1994 nil).

4. Taxation

	1995	1994
	£	£
On profits for the year:		
United Kingdom Corporation tax at 33% (1994 33%)	89,052	115,250
Overseas taxation	(29,764)	-
Adjustments in respect of prior years	1,600	10
	<u>60,888</u>	<u>115,260</u>

5. Tangible assets

Investment properties

Land and Buildings

Leasehold

	Freehold	Over 50 years	50 years and under	Total
At 1 January 1995	7,944,924	142,500	-	8,087,424
Additions	56,364	-	-	56,364
Provision for loss on sale	(519,333)			(519,333)
Disposal	(5,440,191)	-	-	(5,440,191)
At 31 December 1995	<u>2,041,764</u>	<u>142,500</u>	<u>-</u>	<u>2,184,264</u>

RENOWN INVESTMENTS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 31 December 1995

6.	Debtors	1995 £	1994 £
	Trade Debtors	801	
	Other debtors		
	- due within one year	2,222,394	1,459,659
	- due after more than one year	856,979	2,697,857
		<u>3,080,174</u>	<u>4,157,516</u>
	less provision against debtors	(489,518)	(970,709)
		<u>2,590,656</u>	<u>3,186,807</u>
	Amounts owed by Group undertakings	18,280	88,072
		<u>2,608,936</u>	<u>3,274,879</u>
7.	Creditors amounts falling due within one year	1995 £	1994 £
	Borrowings	3,430	675
	Accruals and Deferred Income	28,917	75,389
	Taxation	827,637	145,014
		<u>859,984</u>	<u>221,078</u>
	Amounts owing to Group undertakings	2,937,664	-
		<u>3,797,648</u>	<u>221,078</u>
8.		1995 £	1994 £
	Creditors amounts falling due after more than one year		
	Amounts owing to Group undertakings	-	8,665,140

RENOWN INVESTMENTS (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS concluded****For the year ended 31 December 1995**

9.	Share capital	1995		1994	
		£ Authorised	£ Issued	£ Authorised	£ Issued
	Ordinary shares of £1 each fully paid	<u>5,075,100</u>	<u>5,075,100</u>	<u>5,075,100</u>	<u>5,075,100</u>

10.	Reserves	1995
		Profit and loss £
	As at 1 January 1995	(2,599,015)
	Retained deficit for the year	<u>(1,480,533)</u>
	At 31 December 1995	<u>(4,079,548)</u>

11. Contingent liabilities

The company has entered into cross guarantees together with the ultimate parent company and certain fellow Group undertakings, for loans and overdraft facilities made available to the Group. These facilities are included in the Group accounts and amount to £26.2M (1994 £17.7m) and US\$169.8M (1994 US\$ 206m).

There are also contingent liabilities in respect of performance bonds.

12. Ultimate parent company

The company's ultimate parent company is Costain Group PLC, a company incorporated in England and Wales. A copy of the Group accounts of Costain Group PLC may be obtained from the registered office of Costain Group PLC, 111 Westminster Bridge Road, London SE1 7UE.