

**RENOWN INVESTMENTS (HOLDINGS) LIMITED**

**Registered number: 683698**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 1999**

**KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Gatwick**



# RENOWN INVESTMENTS (HOLDINGS) LIMITED

## REPORT OF THE DIRECTORS

For the year ended 31 December 1999

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### BUSINESS REVIEW

The company continued to carry out its principal activities of investment in and management of property.

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

### YEAR 2000

The Company took part in the Costain Group Year 2000 Project. A programme was implemented under the project to ensure Year 2000 compliance for all software, hardware and embedded systems in use within the Costain Group. This programme was successfully concluded prior to the 31 December 1999 and in consequence the Company did not experience any disruption of its business.

The incremental costs of achieving Year 2000 compliance in respect of the Group's software and hardware was absorbed within Group overheads.

### DIRECTORS AND SHARE INTERESTS

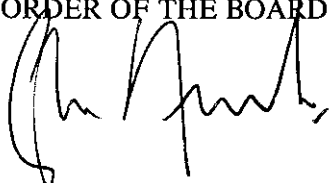
Directors who held office during the year and their disclosable interests in shares, as recorded in the register of directors' interests:

		At 1.1.99	At 31.12.99
J A Armitt*			
M F Burdes	a	460	460
J R Campbell*			

a - Costain Group Plc ordinary shares of 10p each

\* - the interests of these directors in the shares of Costain Group Plc are disclosed in the accounts of that company.

BY ORDER OF THE BOARD



C L FRANKS  
SECRETARY

### REGISTERED OFFICE

Costain House, Nicholson's Walk  
Maidenhead, Berkshire SL6 1LN

Date: 30th March 2000

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 and loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RENOWN INVESTMENTS (HOLDINGS) LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS**

**For the year ended 31 December 1999**

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We have audited the financial statements on pages 4 to 8.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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 the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Gatwick

*30 March 2000*

**RENOWN INVESTMENTS (HOLDINGS) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 1999**

	Notes	1999 £	1998 £
Turnover	1	1,975	921,700
Cost of Sales		<u>(90,884)</u>	<u>(439,149)</u>
Gross (loss)/profit		(88,909)	482,551
Administrative expenses		<u>-</u>	<u>(2,000)</u>
Operating (loss)/profit		(88,909)	480,551
Interest receivable - external		6,014	11,311
<b>(Loss)/profit on ordinary activities before and after taxation</b>		<u><u>(82,895)</u></u>	<u><u>491,862</u></u>

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

All operating profits and losses are attributable to continuing operations.

**THE NOTES ON PAGES 6 TO 8 FORM PART OF THESE FINANCIAL STATEMENTS**

**RENOWN INVESTMENTS (HOLDINGS) LIMITED****BALANCE SHEET****As at 31 December 1999**

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	4	<u>54,000</u>	<u>54,000</u>
<b>Current assets</b>			
Debtors	5	2,883,094	3,120,035
Creditors amounts falling due within one year	6	<u>(1,514,235)</u>	<u>(1,668,281)</u>
<b>Net current assets</b>		<u>1,368,859</u>	<u>1,451,754</u>
<b>Net assets</b>		<u>1,422,859</u>	<u>1,505,754</u>
<b>Capital and reserves</b>			
Called up share capital	7	5,075,100	5,075,100
Profit and loss account	8	<u>(3,652,241)</u>	<u>(3,569,346)</u>
<b>Equity shareholders' funds</b>	9	<u>1,422,859</u>	<u>1,505,754</u>

The financial statements were approved by the Board of Directors on 30 March 2000 and were signed on its behalf by:



Director

J R CAMPBELL

**THE NOTES ON PAGES 6 TO 8 FORM PART OF THESE FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

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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.

**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 (revised) ("FRS 1 (revised)"), the company is exempt under FRS 1 (revised) from the requirements to prepare a separate cash flow statement.

**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.

Investment properties, with the exception of leasehold properties with leases of less than twenty years unexpired, are not depreciated.

**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.

The investment properties which were sold during the financial year ending 31 December 1998 gave rise to no tax liability.

# RENOWN INVESTMENTS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS continued

31 December 1999

2.	<b>(Loss)/profit on ordinary activities before taxation</b>	<b>1999</b>	<b>1998</b>
		£	£
	(Loss)/profit on ordinary activities before taxation is after charging:		
	Auditors' remuneration - audit	-	2,000
	The auditor's remuneration for 1999 was borne by another group company.		
3.	<b>Staff costs and remuneration of directors</b>		
	No emoluments were paid to the directors of the company during the year (1998: nil).		
	There were no staff employed during the year (1998: nil).		
4.	<b>Tangible assets</b> <b>Investment properties</b>	<b>Land and Buildings</b> <b>Leasehold</b> <b>over 50 years</b>	
		£	
	At 1 January and at 31 December 1999	<u>54,000</u>	
5.	<b>Debtors</b>	<b>1999</b>	<b>1998</b>
	Amounts owed by group undertakings	2,506,255	2,217,453
	Other debtors - due within one year	419,713	267,962
	- due after more than one year	<u>57,126</u>	<u>882,677</u>
		<u>2,983,094</u>	<u>3,368,092</u>
	Less provision against other debtors	<u>(100,000)</u>	<u>(248,057)</u>
		<u><u>2,883,094</u></u>	<u><u>3,120,035</u></u>
6.	<b>Creditors amounts falling due within one year</b>	<b>1999</b>	<b>1998</b>
		£	£
	Bank loans and overdrafts	-	17
	Trade creditors	-	114,851
	Accruals and deferred income	7,115	53,194
	Amounts owing to group undertakings	<u>1,507,120</u>	<u>1,500,219</u>
		<u><u>1,514,235</u></u>	<u><u>1,668,281</u></u>
7.	<b>Share capital</b>	<b>1999</b>	<b>1998</b>
		£	£
		<b>Authorised</b>	<b>Authorised</b>
		£	£
		<b>Issued</b>	<b>Issued</b>
	Ordinary shares of £1		
	each called up and fully paid <u>5,075,100</u>	<u>5,075,100</u>	<u>5,075,100</u>



**RENOWN INVESTMENTS (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS continued****31 December 1999****8. Reserves**

	<b>Profit and loss</b>
	<b>£</b>
As at 1 January 1999	(3,569,346)
Loss for the financial year	<u>(82,895)</u>
At 31 December 1999	<u><u>(3,652,241)</u></u>

**9. Reconciliation of movement in shareholders funds**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(82,895)	491,862
Opening shareholders' funds	<u>1,505,754</u>	<u>1,013,892</u>
Closing shareholders' funds	<u><u>1,422,859</u></u>	<u><u>1,505,754</u></u>

**10. 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 financial statements of the ultimate parent company and amount to £10.7m (1998 £12.9m).

There are also contingent liabilities in respect of performance bonds and other undertakings entered into in the ordinary course of business.

**11. Ultimate parent company**

The company's ultimate parent company is Costain Group PLC, a company registered in England and Wales. A copy of the Group financial statements of Costain Group PLC may be obtained from the registered office of Costain Group PLC, Costain House, Nicholson's Walk Maidenhead, Berks SL6 1LN.

**12. Related parties transactions**

The company is exempt under Financial Reporting Standard No 8 (FRS 8) from the requirements to disclose related party transactions on the basis that it is a wholly owned subsidiary of the ultimate parent company, Costain Group PLC.