

**PARC CONTINENTAL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1998**



## **PARC CONTINENTAL LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is that of a holding company.

### **RESULTS AND DIVIDENDS**

The results of the company for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend (1997 : £Nil). The retained profit for the year of £678 (1997: £23,834) will be transferred to reserves.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office at the year end were as follows:-

J D L Baird  
C P T O'Haire (appointed 1 April 1998)

S A Jack resigned as a director of the company on 1 April 1998.

Neither director had a disclosable interest in the shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Dresdner Bank AG, as it is incorporated outside the UK.

### **AUDITORS**

The company has passed an elective resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of the auditors. Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998. The directors have appointed the new firm, PricewaterhouseCoopers, as auditors to the company.

Approved by the board of Directors  
and signed on behalf of the Board



M Amey  
Secretary

7<sup>th</sup> May 1999

## **PARC CONTINENTAL LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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 to 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.

## PARC CONTINENTAL LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements as described on page 2. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and 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 is not disclosed.

#### 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 the company's affairs as at 31 December 1998 and of its profits for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London

"  1999

**PARC CONTINENTAL LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 1998**

	<b>Note</b>	<b>1998</b> <b>£</b>	<b>1997</b> <b>£</b>
Interest receivable from subsidiary undertakings		3,075	2,859
Provision against amounts due from subsidiary undertakings		(7,600)	(20,003)
Other income		-	44,215
Exchange profit/(loss)		4,083	(4,371)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(442)</b>	<b>22,700</b>
Tax credit	3	1,120	1,134
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>678</b>	<b>23,834</b>
		<hr/>	<hr/>

All amounts shown above derive from continuing activities.

There are no recognised gains or losses for the year or the previous year other than the profit on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses is given.

A statement showing the movement in the profit and loss account reserve is set out in note 8 on page 8.

The notes on pages 6 to 8 form an integral part of these financial statements.

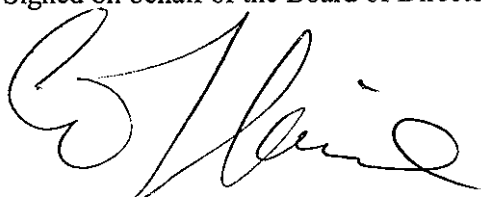
**PARC CONTINENTAL LIMITED**

**BALANCE SHEET**  
**as at 31 December 1998**

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Investments	4	302,874	302,874
<b>CURRENT ASSETS</b>			
Debtors - amounts falling due within one year	5	33,714	34,156
<b>CREDITORS: amounts falling due within one year</b>	6	(43,570)	(44,690)
<b>NET CURRENT (LIABILITIES)</b>		(9,856)	(10,534)
<b>NET ASSETS</b>		293,018	292,340
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	4,507,902	4,507,902
Profit and loss account	8	(4,214,884)	(4,215,562)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		293,018	292,340

These financial statements were approved by the Board of Directors on 7<sup>th</sup> May 1999.

Signed on behalf of the Board of Directors



C P T O'Haire - Director

The notes on pages 6 to 8 form an integral part of these financial statements.

## PARC CONTINENTAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies adopted are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Basis of consolidation

In accordance with section 228(2) of the Companies Act 1985, group accounts have not been prepared as the company is itself a wholly owned subsidiary of Parc Limited, incorporated in Great Britain. The company's subsidiary undertakings are consolidated in the accounts of Kleinwort Benson Group plc, an intermediate parent undertaking.

##### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Any translation differences which arise are dealt with in the profit and loss account.

##### Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

##### Related party transactions

Parc Continental Limited is a wholly owned subsidiary of Parc Limited. The ultimate parent undertaking is Dresdner Bank AG. The company has taken advantage of the exemption available in Financial Reporting Standard No.8 not to disclose inter-group related party transactions.

##### Cash flow statement

These financial statements do not include a cash flow statement as the company meets the exemption requirements of Financial Reporting Standard No.1.

#### 2. ADMINISTRATIVE EXPENSES

Costs of administration are borne by an intermediate parent undertaking. These include the remuneration of the auditors. None of the directors received any emoluments in respect of their services to the company.

#### 3. TAX CREDIT

	1998 £	1997 £
The taxation credit is based on the (loss)/profit for the year and comprises:-		
Adjustment in respect of prior years	1,120	1,134

There is no current tax charge for the year as the company has utilised available tax losses. Tax losses of £1,143 are available to use against profits of future periods.

# PARC CONTINENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 4. INVESTMENTS

#### Shares in subsidiary undertakings

£

Cost:

At 1 January 1998

and 31 December 1998

2,188,733

Provisions:

At 1 January 1998

and 31 December 1998

1,885,859

Net book value:

31 December 1998

302,874

Net book value:

31 December 1997

302,874

The company holds, directly or indirectly, the entire ordinary share capital of the following subsidiaries.

Each of the subsidiary undertakings, except for ParTech Mietprogramme GmbH and KBPM SA, are non-trading. ParTech Mietprogramme GmbH and KBPM SA are engaged in the business of providing equipment hire services.

ParTech Mietprogramme GmbH	Austria
KBPM SA *	France
Southash Limited	Jersey
Edinburgh House Limited	Great Britain (registered in England and Wales)

\* denotes indirectly held investments

During the year CERL (Hong Kong) Limited was transferred to a fellow subsidiary undertaking at net asset value. Parc (No.1) Limited was dissolved on 20<sup>th</sup> April 1999.

In the opinion of the directors the aggregate value of the shares in, and amounts owing from, the company's subsidiary undertakings is not less than the total amount at which they are shown in the balance sheet.

5. DEBTORS: amounts falling due within one year	1998	1997
	£	£
Amounts due from fellow subsidiary undertakings	33,714	34,156



**PARC CONTINENTAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 1998**

<b>6. CREDITORS: amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts due to fellow subsidiary undertaking	43,570	44,690

**7. CALLED UP SHARE CAPITAL**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Authorised: 5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
Allotted and fully paid 4,507,902 ordinary shares of £1 each	4,507,902	4,507,902

**8. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	<b>Issued share capital</b>	<b>Profit &amp; loss account</b>	<b>Shareholders' funds</b>	<b>Shareholders' funds</b>
	<b>1998</b>	<b>1998</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 1998	4,507,902	(4,215,562)	292,340	268,506
Profit attributable to members of the company	-	678	678	23,834
At 31 December 1998	4,507,902	(4,214,884)	293,018	292,340

**9. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Dresdner Bank AG, a company incorporated in Germany. For consolidation purposes, Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales, is the parent undertaking of the smallest group of which the company is a member. Copies of the consolidated financial statements of both of these companies, for the year ended 31 December 1998 will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.