

PARC CONTINENTAL LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1994



PARC CONTINENTAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

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 5. The directors do not recommend the payment of a dividend (1993 : £Nil). The retained loss for the year of £295,275 (1993 : £588,030) will be transferred from reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as follows:-

J D L Baird
M R Forrest (resigned 15 February 1995)
S A Jack

H A Smith resigned on 31 January 1994 and A J White resigned on 20 September 1994.

None of the directors had any interest in the share capital of the company at any time during the year.

At 31 December 1994 M R Forrest was interested in 217 (31 December 1993 : Nil) ordinary shares of 25p each of Kleinwort Benson Group plc, the ultimate parent company. In addition on that date he had been granted options to subscribe for 1,683 (31 December 1993 - 856) ordinary shares of Kleinwort Benson Group plc. These options were granted on various dates pursuant to the Savings-Related Share Option Scheme for no consideration, are exercisable five years after the date of grant at prices of 402.8p and 417p per share and are otherwise subject to the terms and conditions of the scheme.

The interests of J D L Baird and S A Jack in the shares and options to subscribe for shares in Kleinwort Benson Group plc, are shown in the directors' report of Kleinwort Benson Limited.

PARC CONTINENTAL LIMITED

DIRECTORS' REPORT (continued)

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; accordingly Touche Ross & Co. remain in office.

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



L E Young
Secretary

20 Fenchurch Street
London EC3P 3DB

31 March 1995

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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act. 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.

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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, on those statements and to report our opinion to you.

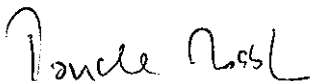
Basis of opinion

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 the company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co.
Chartered Accountants and
Registered Auditors

Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

31 March 1995

PARC CONTINENTAL LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1994

	Note	1994 £	1993 £
Interest receivable from subsidiary undertakings		7,769	12,643
Interest payable to parent undertaking		(2,163)	(13,393)
Provision against investment in subsidiary undertakings		(303,991)	(290,482)
Loss on sale of subsidiary undertaking		(1,736)	(297,308)
Exchange gain/(loss)		6,696	(2,179)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(293,425)	(590,719)
Tax (charge)/credit	2	(1,850)	2,683
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(295,275)</u>	<u>(588,036)</u>

There are no recognised gains or losses other than the loss for the financial year. Accordingly no statement of total recognised gains and losses is included.

All amounts shown above derive from continuing activities.

A statement showing the movement in the profit and loss account reserve is set out in note 7 on page 10.

The notes on pages 7 to 10 form an integral part of these accounts.

PARC CONTINENTAL LIMITED

BALANCE SHEET as at 31 December 1994

	Note	1994 £	1993 £
FIXED ASSETS			
Investment in subsidiary undertakings	3	49,303	340,038
CURRENT ASSETS			
Debtors - amounts repayable within one year	4	245,043	325,865
CREDITORS: amounts falling due within one year	5	(71,928)	(148,210)
NET CURRENT ASSETS		173,115	177,655
TOTAL ASSETS LESS CURRENT LIABILITIES		222,418	517,693
CAPITAL AND RESERVES			
Called up share capital	6	4,507,902	4,507,902
Profit and loss account	7	(4,285,484)	(3,990,209)
EQUITY SHAREHOLDERS' FUNDS		222,418	517,693

These financial statements were approved by the Board of Directors on 31 March 1995 and signed on its behalf

Stephen A. Jack

S.A. JACK - DIRECTOR

The notes on pages 7 to 10 form an integral part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

1. ACCOUNTING POLICIES

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

(a) Accounting convention

These financial statements are prepared under the historical cost convention.

(b) Basis of consolidation

In accordance with Section 228(1) of the Companies Act 1985, group accounts have not been prepared as the company is itself a wholly owned subsidiary of Parc International Limited, a company incorporated in Great Britain and registered in England and Wales. The company's subsidiary undertakings are consolidated in the accounts of Kleinwort Benson Group plc, the ultimate parent company.

(c) 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.

(d) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

(e) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at the lower of cost and net asset value.

(f) Administrative expenses

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

(g) Cash flow statement

These financial statements do not include a cash flow statement as required by Financial Reporting Standard No.1 as a consolidated cash flow statement is prepared by Kleinwort Benson Group plc, the ultimate parent company.

PARC CONTINENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

2. TAX (CHARGE)/CREDIT

	1994 £	1993 £
Taxation is based on the loss for the year and comprises:-		
Group relief (payable)/receivable at 33% of taxable profit (1993-33%)	(1,850)	2,683

The tax charge does not reflect the losses arising due to expenditure included in the profit and loss account which is not allowable for tax purposes.

3. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£
COST	
1 January 1994	3,104,090
Additions	-
Disposals	(39,238)
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31 December 1994	3,064,852
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PROVISION FOR DIMINUTION IN VALUE	
1 January 1994	2,764,052
Charged in the year	251,497
Disposals	-
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31 December 1994	3,015,549
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NET BOOK VALUE	
31 December 1994	49,303
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31 December 1993	340,038
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PARC CONTINENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

3. INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)

The company holds, directly or indirectly, the entire share capital of the following subsidiaries, the majority of which are engaged in the business of providing equipment hire services.

Parctec Mietprogramme GmbH	Austria
Cofinparc SA	France
Parc GmbH	Germany
CERL (Hong Kong) Limited	Hong Kong
Southash Limited	Jersey
DRL Rentals AG	Switzerland
Edinburgh House Limited	Great Britain
	(registered in England and Wales)

	1994 £	1993 £
4. DEBTORS: amounts repayable within one year		
Amounts owed by subsidiary undertakings	245,043	325,865
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5. CREDITORS: amounts falling due within one year		
Amounts owed to parent undertaking	-	78,132
Group relief payable	71,928	70,078
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	71,928	148,210
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NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

6. CALLED UP SHARE CAPITAL

	1994 £	1993 £
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

7. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital 1994 £	Profit & loss account 1994 £	Total 1994 £	Total 1993 £
1 January 1994	4,507,902	(3,990,209)	517,693	(3,394,271)
Loss attributable to members of the company	-	(295,275)	(295,275)	(588,036)
Issue of ordinary shares	-	-	-	4,500,000
At 31 December 1994	4,507,902	(4,285,484)	222,418	(517,693)

8. ULTIMATE PARENT COMPANY

The ultimate parent company is Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of that company are available at 20 Fenchurch Street, London, EC3P 3DB.