

Registered No: 616189

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 1994**



**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

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# **CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS**

To be presented at the Thirty-seventh Annual General Meeting of Charterhouse Development Capital Holdings Limited to be held at 85 Watling Street, London EC4M 9BX on 7 March 1995.

## **DIRECTORS**

The Directors of the Company are:

Mr E G Cox	-	Chairman
Mr M V Blank	-	Deputy Chairman
Mr J G Bonnyman	-	Managing Director
Mr D Aldred		
Mr G J Arbuthnott		
Mr R W Dix		
Mr S M Drury		
Mr D R L Duncan		
Mr J E Greenhalgh		
Mr N J Hamway		
Mr M Knibbeler		
Mr A R May		
Dr J N Nicholls		
Mr A Padrini		
Mr R G Pilgrim		
Mr T R Plant		
Mr S D Simpson		
Mr A Whalley		
Mr C J Williamson		

Mr D Aldred, Mr S M Drury, Mr J E Greenhalgh, Dr J N Nicholls, Mr A Padrini and Mr A Whalley were appointed on 1 July 1994 and Mr R W Dix was appointed on 26 October 1994. Mr D W Parrish resigned on 26 October 1994 and Miss K J Hood resigned on 31 December 1994.

## **PRINCIPAL ACTIVITY**

The principal activity of the Company is to acquire, through its subsidiary, associated undertakings and managed funds interests in unlisted companies. The principal activity has not changed during the year and no changes are planned in the foreseeable future. Your Directors are confident that further investments in good quality businesses will be made during the current year.

## **PROFIT AND DIVIDENDS**

The consolidated profit after taxation for the year ended 31 December 1994 was £10,411,000 (1993 £11,941,000).

Interim dividends totalling £5,750,000 have been paid during the year (1993 £8,600,000). The Directors do not recommend payment of a final dividend (1993 nil).

The profit for the year amounting to £4,661,000 (1993 £3,341,000) has been transferred to reserves.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**REPORT OF THE DIRECTORS continued**

**CHANGE OF ACCOUNTING DATE**

During 1993, the accounting reference date was changed from 30 September to 31 December. This is reflected in comparative figures which are presented for a 15 month period.

**DIRECTORS' INTERESTS**

The Directors had no interests at 31 December 1994 in the shares of the Company.

There are and have been during the year under review no contracts with the Company or its subsidiaries in which a Director or Directors of the Company are or were interested under the provisions of the Companies Act 1985.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that year.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 1994. The Directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

**AUDITORS**

A resolution to reappoint Coopers & Lybrand as the Company's auditors will be proposed at the Annual General Meeting.

**By Order of the Board**



**Secretary**

7 March 1995

85 Watling Street  
London EC4M 9BX

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1994

		15 months ended 31 December 1993	
	Notes	£'000s	£'000s
Turnover - continuing operations	2	13,325	15,193
Other operating income	3	14,578	20,494
Administrative expenses	4	(10,656)	(15,881)
Exceptional administrative expenses	7	(3,206)	-
Income from interest in associated undertakings		2,149	3,107
Operating profit from continuing operations		16,190	23,567
Operating loss from discontinued operations		-	(654)
Operating profit		16,190	22,913
Profit on disposal of associated undertaking	8	767	-
Interest receivable	9	875	1,471
Interest payable	10	(2,170)	(6,308)
Profit on ordinary activities before taxation		15,662	18,076
Tax on profit on ordinary activities	11	(5,251)	(6,135)
Profit on ordinary activities after taxation		10,411	11,941
Dividends			
Interim dividends of 19.76p per share (1993 29.55p per share)		(5,750)	(8,600)
Profit transferred to reserves	21	4,661	3,341

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 8 to 22 form part of these accounts

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 December 1994

	£'000s	1993 £'000s
Profit for the year	10,411	11,941
Currency translation differences on foreign currency net investments	56	2
Total recognised gains and losses relating to the year	<u>10,467</u>	<u>11,943</u>

The notes on pages 8 to 22 form part of these accounts

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**CONSOLIDATED BALANCE SHEET at 31 December 1994**

	Notes	£'000s	1993 £'000s
<b>FIXED ASSETS</b>			
Tangible assets	13	518	502
Investments - associated undertakings	14	6,065	9,492
- other investments	15	101,360	73,584
		<u>107,943</u>	<u>83,578</u>
<b>CURRENT ASSETS</b>			
Debtors		7,979	1,058
Bank balance with fellow subsidiary undertaking		3,249	6,848
Cash at bank		545	5,377
		<u>11,773</u>	<u>13,283</u>
<b>CREDITORS - amounts falling due within one year</b>			
Bank overdraft	16	39,841	28,724
Amount owed to parent undertaking		11,001	11,001
Other creditors including taxation and social security	17	17,357	8,188
Accruals and deferred income		550	2,804
		<u>68,749</u>	<u>50,717</u>
<b>NET CURRENT LIABILITIES</b>		<u>(56,976)</u>	<u>(37,434)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		50,967	46,144
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	(6,276)	(5,403)
		<u>44,691</u>	<u>40,741</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	29,100	29,100
Profit and loss account	20	15,591	11,641
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>44,691</u>	<u>40,741</u>

The accounts were approved by the Board of Directors on 7 March 1995 and were signed on its behalf by:



Chairman

The notes on pages 8 to 22 form part of these accounts

CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

BALANCE SHEET at 31 December 1994

	Notes	£'000s	1993 £'000s
<b>FIXED ASSETS</b>			
<b>Investments</b>			
Shares in subsidiary undertakings	24	34,431	34,431
Loans to subsidiary undertakings	22	66,446	52,873
Shares in associated undertakings	14	7,490	7,490
Other	23	21,513	16,042
		<u>129,880</u>	<u>110,836</u>
<b>CURRENT ASSETS</b>			
Other debtors		4,283	7
Taxation recoverable		143	191
		<u>4,426</u>	<u>198</u>
<b>CREDITORS: amounts falling due within one year</b>			
Bank overdraft	16	42,998	28,000
Amounts owed to associated undertakings		2,562	196
Amounts owed to parent or fellow subsidiary undertakings		53,472	52,802
Other creditors		58	935
		<u>99,090</u>	<u>81,933</u>
<b>NET CURRENT LIABILITIES</b>		<u>(94,664)</u>	<u>(81,735)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>35,216</u>	<u>29,101</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	(2,060)	-
		<u>33,156</u>	<u>29,101</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	29,100	29,100
Profit and loss account	20	4,056	1
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>33,156</u>	<u>29,101</u>

The accounts were approved by the Board of Directors on 7 March 1995 and were signed on its behalf by:



Chairman

The notes on pages 8 to 22 form part of these accounts.



## CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

### NOTES TO THE GROUP ACCOUNTS AT 31 December 1994

#### 1 ACCOUNTING POLICIES

The accounts have been prepared on the basis of the principal accounting policies adopted by the Company and its subsidiary undertakings described below:

##### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards except for the non-consolidation of Funds and Fund Investments, as defined below. As stated in the Report of the Directors, there was a change of accounting reference date in the prior period and, accordingly, comparative figures are shown for a 15-month period.

##### **Basis of consolidation**

The Group accounts deal with the results of the Company and its subsidiary undertakings. Subsidiary undertakings, with the exception of those which are Funds (as noted below), are consolidated using the acquisition method of accounting.

##### **Investments in limited partnerships/unit trusts ("Funds"):**

Certain subsidiary undertakings of the Company are general partners or managers of Funds which invest in, primarily, unlisted companies, principally in the UK and Europe. As the general partners/managers are in a position to exercise dominant influence over the Funds, the Funds are considered to be subsidiary undertakings. The Directors are of the opinion that consolidating the accounts of the Funds would not present a true and fair view of the Group's results for the year or state of affairs at the year end. In order to present a true and fair view, the Directors consider that the accounts of the Funds should be proportionately consolidated into the Group accounts. However, a proportional consolidation has not been considered necessary for the current year as the effect on the profit for the year and on net assets would not be material as set out in note 25.

##### **Investments held through limited partnerships/unit trusts ("Fund Investments"):**

Certain of the Group's Fund Investments fall within the definition of associated undertakings contained in the Companies Act 1985 (as amended). The Act requires that the Group should equity account for such investments. The Directors are of the opinion that the consolidation of these investments would be misleading, since this would not reflect the Group's beneficial interest in such investments. In order to present a true and fair view, the Directors consider that the accounts of the Fund Investments should be proportionately consolidated into the Group accounts. However, a proportional consolidation has not been considered necessary for the current year as the effect on the profit for the year and on net assets would not be material as set out in note 25.

NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

**1 ACCOUNTING POLICIES continued**

**Associated undertakings**

Associated undertakings are investments other than subsidiary undertakings in which the Group holds 20% or more of the equity share capital for the long term and exercises significant influence over the undertaking.

The Group brings into the consolidated profit and loss account its share of the realised profits and losses of these undertakings and into the consolidated balance sheet its share of the net assets less provision for any permanent diminution in value. For this purpose the latest available accounts are used made up to the date of the Group accounts.

**Other investments**

Listed investments are shown on an aggregate basis at the lower of cost or market value using mid-market price at the period end and unlisted investments on an aggregate basis at the lower of cost or Directors' valuation.

In certain cases, although the Group holds more than 20% of the equity share capital of an investment, the Directors consider that these investments do not come under the definition of associated undertakings as introduced by the Companies Act 1989, since the Group does not exercise significant influence over the investments. The Directors also believe that it would not show a true and fair view to treat only part of the equity share investment portfolio as associated undertakings. The alternative effect of treating such investments as if they were equity accounted is set out in note 15.

**Cash flow statement**

The cash flow statements of the Company and its subsidiary undertakings are included in the consolidated cash flow statement of Charterhouse plc. Consequently the Group is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

**Income**

Income is accounted for on an accruals basis with the exception of dividends and realisation profits which are credited to income as received. The Group is entitled to drawings in respect of priority profit share from certain Funds. These drawings are taken to the profit and loss account as fee income.

**Foreign currencies**

Assets and liabilities in foreign currencies are expressed in sterling at the rate of exchange ruling at the accounting date. Exchange gains and losses are taken to the profit and loss account. Where foreign currency borrowings are used to provide a hedge against foreign equity investments, exchange gains and losses arising on the foreign exchange borrowings are taken to reserves and offset against exchange differences arising from the retranslation of investments.

NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

1 ACCOUNTING POLICIES continued

**Goodwill**

Goodwill arising on consolidation as a result of the acquisition of undertakings is taken directly to reserves in the year of acquisition. On disposal of an undertaking the goodwill previously taken to reserves is recognised in the profit and loss account.

**Depreciation**

Freehold buildings are maintained to a high standard by regular expenditure charged in the profit and loss account. In the opinion of the Directors the residual value would be sufficiently high to make any depreciation charge immaterial. Should the Directors consider there to be a permanent diminution in value, the assets would be written down. Depreciation is provided on tangible fixed assets as follows:

	<b>Basis</b>	<b>Rate</b>
Furniture and fittings	Straight line	10%
Office machinery	Straight line	20%
Motor vehicles	Straight line	33%

**Finance and operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the Group substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

**Pensions**

Pensions are provided by means of a funded scheme covering the Charterhouse Group and annual contributions are based on the advice of independent, professionally qualified actuaries. The expected cost of providing pensions is recognised on a systematic and rational basis over the expected average service life of members of the scheme.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**1 ACCOUNTING POLICIES continued**

**Deferred taxation**

Provision is made for deferred taxation on timing differences between profits stated in the accounts and profits computed for taxation purposes, at the rate of taxation expected to be applicable on reversal, where there is a probability that a liability will arise in the foreseeable future.

**2 TURNOVER**

	Notes	1994 £'000s	1993 £'000s
Dividend income - UK - listed		948	411
- UK - unlisted		3,203	5,710
- Foreign - listed		13	190
- Foreign - unlisted		221	497
		<hr/>	<hr/>
		4,385	6,808
Interest receivable from investments		1,036	903
Fee income		7,904	7,482
		<hr/>	<hr/>
		13,325	15,193
		<hr/>	<hr/>

**3 OTHER OPERATING INCOME**

	1994 £'000s	1993 £'000s
Profit on sales of investments	18,559	27,166
Increase in provisions against investments	(4,071)	(6,287)
Release/(provision) for contingent liability	39	(375)
Profit/(loss) on disposal of fixed assets	6	(115)
Exchange gain	45	105
	<hr/>	<hr/>
	14,578	20,494
	<hr/>	<hr/>

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**4 ADMINISTRATIVE EXPENSES**

	<b>1994</b>	<b>1993</b>
	<b>£'000s</b>	<b>£'000s</b>
Continuing operations	10,656	15,227
Discontinued operations	-	654
	<hr/>	<hr/>
	<b>10,656</b>	<b>15,881</b>
	<hr/>	<hr/>

	<b>1994</b>	<b>1993</b>
	<b>£'000s</b>	<b>£'000s</b>
<b>Administrative expenses include:</b>		
Depreciation of tangible fixed assets	151	124
Auditors' remuneration : audit services	42	40
: non-audit services	30	17
Operating lease rentals : plant and machinery	25	121
Finance charges on finance leases	30	31

**5 STAFF COSTS**

The average weekly number of employees during the year (including directors) was 40 (1993 45) and their total remuneration of £4,084,000 (1993 £4,796,000) comprised £3,300,000 (1993 £3,631,000) salary and bonus, £255,000 (1993 £477,000) national insurance contributions and £529,000 (1993 £688,000) pension contributions.

The Company contributes to the Charterhouse Group Staff Benefits Scheme, which is a defined benefits pension scheme. Particulars of the actuarial valuation of the scheme are contained in the accounts of Charterhouse plc. A provision of £208,000 (1993 £208,000) is included in other creditors representing the difference between the amounts recognised as cost and the amounts paid. Contributions to the Scheme are based upon pension costs across the Charterhouse plc group as a whole.

Directors' emoluments including pension contributions amounted to £3,518,000 (1993 £4,179,000).

Emoluments disclosed below (excluding pension contributions) include amounts paid to:

	<b>1994</b>	<b>1993</b>
	<b>£'000s</b>	<b>£'000s</b>
Chairman and highest paid director	467	626

The number of directors (including the Chairman) who received salary and other emoluments (excluding pension contributions) in the following ranges were:

# CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

## NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

### 5 STAFF COSTS continued

		Number of Directors	
£	£	1994	1993
0	- 5,000	4	3
50,001	- 55,000	-	1
55,001	- 60,000	-	1
60,001	- 65,000	1	-
65,001	- 70,000	-	1
110,001	- 115,000	1	-
120,001	- 125,000	1	1
125,001	- 130,000	1	1
135,001	- 140,000	2	-
140,001	- 145,000	2	-
145,001	- 150,000	1	-
160,001	- 165,000	-	1
180,001	- 185,000	-	1
185,001	- 190,000	2	-
190,001	- 195,000	1	-
210,001	- 215,000	1	-
215,001	- 220,000	1	-
220,001	- 225,000	1	-
260,001	- 265,000	-	2
265,001	- 270,000	-	1
270,001	- 275,000	-	1
295,001	- 300,000	-	1
335,001	- 340,000	-	1
345,001	- 350,000	1	-
465,001	- 470,000	1	-
625,001	- 630,000	-	2

Payments made to, and on behalf of, former directors in connection with their retirement from office amounted to £30,000 (1993 £160,000). These payments are not included in the emoluments stated above.

### 6 INCENTIVE PLANS

Charterhouse plc has established long term performance incentive plans, in which a number of the Company's key senior executives may participate. Deferred discretionary emoluments under these plans will become payable over several years in the future.

### 7 EXCEPTIONAL ADMINISTRATIVE EXPENSES

	1994 £'000s	1993 £'000s
Placement agents fees	3,206	-

The placement agents fees relate to payments made to third parties in respect of fund raising during the year.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**8 PROFIT ON DISPOSAL OF ASSOCIATED UNDERTAKING**

Profit on sale of investments includes a gain arising on the disposal of an associated undertaking of £767,000 which represents the write back of amounts formerly capitalised as negative goodwill (1993 nil).

**9 INTEREST RECEIVABLE**

	<b>1994</b> <b>£'000s</b>	<b>1993</b> <b>£'000s</b>
Parent and fellow subsidiary undertakings	216	489
Banks	659	982
	<u>875</u>	<u>1,471</u>

**10 INTEREST PAYABLE**

	<b>1994</b> <b>£'000s</b>	<b>1993</b> <b>£'000s</b>
Interest paid in respect of short term loans repayable other than by instalments within five years:		
Parent and fellow subsidiary undertakings	649	1,641
Banks	1,521	4,667
	<u>2,170</u>	<u>6,308</u>

**11 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1994</b> <b>£'000s</b>	<b>1993</b> <b>£'000s</b>
<b>United Kingdom taxation</b>		
Corporation tax at 33% (1993 33%) based on profit for the year	(1,862)	(2,251)
Prior year adjustment	(204)	1,025
Taxation attributable to UK dividends received	(883)	(1,350)
Deferred taxation	(1,927)	(3,904)
Relief for double taxation	31	588
	<u>(4,845)</u>	<u>(5,892)</u>
<b>Overseas taxation</b>		
Taxation attributable to dividends received	(42)	(229)
<b>Associated undertakings</b>		
Share of associated undertaking taxation	(364)	(14)
	<u>(5,251)</u>	<u>(6,135)</u>

# CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

## NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

### 12 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

As permitted by Section 230(3) of the Companies Act 1985, the parent company's profit and loss account has not been included in these accounts. A profit after tax of £9,805,000 (1993 £7,912,000) has been dealt with in the accounts of the parent company.

### 13 TANGIBLE FIXED ASSETS - GROUP

	Motor Vehicles held under Finance Leases £'000s	Freehold Land and Buildings £'000s	Equipment £'000s	Total £'000s
<b>Cost</b>				
1 January 1994	332	82	401	815
Additions	162	-	122	284
Disposals	(98)	-	(115)	(213)
31 December 1994	396	82	408	886
<b>Depreciation</b>				
1 January 1994	70	-	243	313
Charge for year	61	-	90	151
Elimination on disposals	(16)	-	(80)	(96)
31 December 1994	115	-	253	368
<b>Net book value</b>				
31 December 1994	281	82	155	518
31 December 1993	262	82	158	502

### 14 ASSOCIATED UNDERTAKINGS

The interests in associated undertakings represent:

Undertaking	Country of incorporation/ registration or principal place of business	Class of shares /capital	Percentage held	
Charterhouse Development Capital Fund Ltd	England and Wales	Ordinary	47.60%	Investment Co
Charter Indofin Development Capital NV	Netherlands Antilles	Ordinary	50.00%	Management Co
Indofin Charterhouse I CV	Netherlands Antilles	Partnership Int	50.00%	Managed Fund

The financial year end of all associated undertakings is 31 December.



**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED****NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued****14 ASSOCIATED UNDERTAKINGS (continued)**

The Company disposed of its 34.5% interest in Charterhouse Associates SA during the year.

Details of these interests are set out below:

<b>Group</b>	<b>Shares and Participations £'000s</b>	<b>Retained Earnings £'000s</b>	<b>Total £'000s</b>
At 1 January 1994	8,486	1,006	9,492
Disposals	(630)	(973)	(1,603)
Advances received	-	(2,528)	(2,528)
Distributions received	-	(1,106)	(1,106)
Share of retained profits	(381)	2,165	1,784
Exchange movements	15	11	26
	<hr/>	<hr/>	<hr/>
At 31 December 1994	7,490	(1,425)	6,065
	<hr/>	<hr/>	<hr/>
<b>Company</b>			
At 1 January 1994 and 31 December 1994	7,490		
	<hr/>		

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**15 OTHER INVESTMENTS (GROUP)**

	-----Listed-----		-----Unlisted-----			
	UK	Elsewhere	Ordinary	Preference	Loans	Totals
	£'000s	£'000s	Shares	Shares	£'000s	£'000s
			£'000s	£'000s		
<b>Cost</b>						
1 January 1994	2,582	990	54,042	18,142	20,660	96,416
Additions	-	-	18,442	4,709	19,955	43,106
Disposals	(785)	(285)	(5,428)	(3,536)	(2,875)	(12,909)
Exchange movements	-	8	(215)	(12)	227	8
Reclassifications	2,222	2,056	(4,144)	(131)	(3)	0
31 December 1994	4,019	2,769	62,697	19,172	37,964	126,621
<b>Provisions</b>						
1 January 1994	373	51	16,253	2,975	3,180	22,832
Increased during the year	-	441	-	2,927	1,126	4,494
Released during the year	(49)	-	(374)	-	-	(423)
Eliminated on disposal	(158)	-	(412)	(1,023)	-	(1,593)
Exchange movements	-	7	(73)	5	12	(49)
31 December 1994	166	499	15,394	4,884	4,318	25,261
<b>Net Book Value</b>						
31 December 1994	3,853	2,270	47,303	14,288	33,646	101,360
31 December 1993	2,209	939	37,789	15,167	17,480	73,584
<b>Valuations</b>						
31 December 1994	31,131	4,488	68,566	14,288	34,981	153,454
31 December 1993	30,042	2,209	50,745	15,167	21,012	119,175

The Directors are of the opinion that the number of undertakings in respect of which the Group is required to disclose information under Schedule 5 of the Companies Act 1985 is such that compliance would result in information of excessive length being given. In accordance with Section 231 of that Act, information regarding principal subsidiary undertakings is set out in note 23 and associated undertakings in note 13. Full information in respect of significant holdings of more than 10% of the equity share capital of an undertaking will be annexed to the next annual return.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**15 OTHER INVESTMENTS (GROUP) continued**

As explained in note 1 regarding Other Investments, the Group has not equity accounted for certain investments where the Group holds more than 20% of the equity share capital. Based on the latest accounts received, had it done so, the Group profit before taxation would have been decreased by approximately £204,000 (1993 increased by £1,266,000). The tax on Group profit would have increased by approximately £183,000 (1993 £298,000) and the profit transferred to reserves would have been decreased by £387,000 (1993 increased by £968,000). The total capital and reserves in the consolidated balance sheet would have decreased by £1,907,000 (1993 increased by £1,562,000).

**16 BANK OVERDRAFT**

	<b>1994 Group £'000s</b>	<b>1993 Group £'000s</b>	<b>1994 Company £'000s</b>	<b>1993 Company £'000s</b>
With fellow subsidiary undertaking	18,950	19,339	22,229	18,615
Other banks	20,891	9,385	20,769	9,385
	<u>39,841</u>	<u>28,724</u>	<u>42,998</u>	<u>28,000</u>

**17 OTHER CREDITORS**

	<b>1994 Group £'000s</b>	<b>1993 Group £'000s</b>
Taxation and social security	5,065	2,029
Other creditors	12,292	6,159
	<u>17,357</u>	<u>8,188</u>

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Group Deferred Taxation £'000s</b>	<b>Group Other Provisions £'000s</b>	<b>Group Total £'000s</b>	<b>Company Deferred Taxation £'000s</b>
At 1 January 1994	4,303	1,100	5,403	-
Charged to profit and loss account	1,927	-	1,927	2,060
Other movements	(162)	(892)	(1,054)	-
At 31 December 1994	<u>6,068</u>	<u>208</u>	<u>6,276</u>	<u>2,060</u>

The deferred taxation balance arises entirely due to short term timing differences.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued**

**19 SHARE CAPITAL**

	<b>1994 £'000s</b>	<b>1993 £'000s</b>
<b>Authorised, allotted, called up and fully paid</b>		
29,100,000 Ordinary shares of £1 each	<u>29,100</u>	<u>29,100</u>

**20 PROFIT AND LOSS ACCOUNT**

	<b>Group £'000s</b>	<b>Company £'000s</b>
At 1 January 1994	11,641	1
Exchange movement	56	-
Retained profit for the year	4,661	4,055
Negative goodwill on disposal	(767)	-
As at 31 December 1994	<u>15,591</u>	<u>4,056</u>
Retained in the Company	4,056	
Retained in subsidiary undertakings	10,432	
Retained in associated undertakings	1,103	
	<u>15,591</u>	

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1994 £'000s</b>	<b>1993 £'000s</b>
Profit for the year	10,411	11,941
Dividends	(5,750)	(8,600)
	<u>4,661</u>	<u>3,341</u>
Other recognised gains and losses relating to the year	56	2
Negative goodwill on disposal	(767)	-
Net additions to shareholders' funds	3,950	3,343
Opening shareholders' funds	40,741	37,398
Closing shareholders' funds	<u>44,691</u>	<u>40,741</u>

**22 LOANS TO SUBSIDIARY UNDERTAKINGS**

	<b>Company £'000s</b>
At 1 January 1994	52,873
Net movement in the period	13,573
At 31 December 1994	<u>66,446</u>

# CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

## NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

### 23 OTHER INVESTMENTS

	Company £'000s
<b>Cost</b>	
1 January 1994	22,488
Additions	10,375
Disposals	(4,417)
	<hr/>
31 December 1994	28,446
	<hr/>
<b>Provisions</b>	
1 January 1994	6,446
Increased during the year	487
	<hr/>
31 December 1994	6,933
	<hr/>
<b>Net Book Value</b>	
31 December 1994	21,513
	<hr/>
31 December 1993	16,042
	<hr/>

In the opinion of the Directors the value of the above investments is not less than the net book value shown above.

### 24 SHARES IN SUBSIDIARY UNDERTAKINGS

All the companies below are consolidated, wholly owned and are registered in England and Wales except where stated otherwise. The Company held all the voting rights:

	£'000s	1993 £'000s
Charterhouse Development Capital Ltd	443	443
Charterhouse Development Ltd	2,000	2,000
Charterhouse Development (Europe) Ltd	-	-
Charterhouse Finance Corporation Ltd (registered in Scotland)	2,928	2,928
Charterhouse Business Expansion Fund Management Ltd	-	-
CHEF Nominees Ltd	-	-
Charterhouse Development Capital (CI) Ltd (registered in Jersey)	35	35
Charterhouse General Partners Ltd	5	5
Charterhouse Venture Fund Management Ltd	10	10
Charterhouse Second Venture Fund Management Ltd	10	10
Charterhouse Development Loans Limited (registered in Scotland)	29,000	29,000
Charterhouse Venture Nominees Ltd	-	-
	<hr/>	<hr/>
	34,431	34,431
	<hr/>	<hr/>

# CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

## 24 SHARES IN SUBSIDIARY UNDERTAKINGS continued

All the companies are engaged in the provision of development capital and related activities.

In the opinion of the Directors the valuation of these subsidiaries is not less than the amount shown above.

## 25 SUBSIDIARY UNDERTAKINGS NOT CONSOLIDATED

The Group has investments in the following Funds in which a Group company is the general partner and/or manager:

	Year end	Beneficial Interest %	Principal place of business	Investment	
				1994 £'000s	1993 £'000s
Charterhouse European Partners	31 December	14.61	England	8,989	6,519
Charterhouse Second Venture Fund	5 April	4.08	England	680	752
The Charterhouse Buy-out Fund	31 December	9.94	Jersey	554	563
The Second Charterhouse Buy-out Fund	31 December	21.55	Jersey	21,798	16,116
Charterhouse Capital Partners V	31 December	26.62	England	12,939	-
				<hr/> 44,960	<hr/> 23,950

If these Funds had been fully consolidated into the Group accounts based on the latest accounts received, there would not have been a material difference to profit after tax and minorities. Net current assets would have increased by £16,798,000 (1993 £23,534,000), total assets less liabilities by £168,531,000 (1993 £139,137,000) and minority interests by £172,131,000 (1993 £138,039,000).

The principal transactions undertaken with the Funds are the provision of management services. The total fees receivable for the current year amounted to £5,297,000 (1993 £3,596,000), of this amount £941,000 was outstanding at the year end (1993 £176,000).

## 26 CAPITAL COMMITMENTS

The Group had contracted capital commitments of £85,576,000 (1993 £28,184,000) in respect of investments. The Company had contracted capital commitments of £2,161,000 (1993 £12,936,000).

## 27 CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of guarantees and acceptance facilities amounting to £4,879,000 (1993 £7,519,000). In the opinion of the Directors no significant loss should arise from these transactions.

NOTES TO THE GROUP ACCOUNTS at 31 December 1994 continued

**28 LEASE OBLIGATIONS**

The Group had commitments in respect of motor vehicles as follows:

	1994 £'000s	1993 £'000s
Net finance lease obligations payable:		
within one year	61	-
between one and five years	54	98
	<hr/> 115 <hr/>	<hr/> 98 <hr/>
Annual operating lease commitments on lease expiring:		
within one year	-	9
	<hr/>	<hr/>

The Company had no commitments.

**29 ULTIMATE PARENT UNDERTAKING**

The Company is a wholly owned subsidiary undertaking of Charterhouse plc, which is registered in England and Wales.

The parent undertaking of the largest group of which the Company is a member and for which group accounts are drawn up is European Corporate Finance Holdings SA, the company regarded by the Directors as being the Company's ultimate parent undertaking as at 31 December 1994, which is incorporated in Luxembourg and is directly or indirectly jointly owned by Berliner Handels-und Frankfurter Bank and Crédit Commercial de France. Copies of the accounts of European Corporate Finance Holding SA are available from that company at 8 Avenue Marie-Therese, L2132.

**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

We have audited the accounts on pages 4 to 22.

**Respective responsibilities of directors and auditors**

As described on page 3, the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the affairs of the Group and the Company as at 31 December 1994 and of the profit and total recognised gains of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

**Chartered Accountants and Registered Auditors  
London**

7 March 1995



**CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty-seventh Annual General Meeting of Charterhouse Development Capital Holdings Limited will be held at 85 Watling Street, London EC4M 9BX on 7 March 1995 for the following purposes:

To receive the Directors' Report and Accounts for the year ended 31 December 1994 and the Auditors' Report thereon.

To reappoint the auditors, Coopers & Lybrand.

To authorise the Directors to determine the remuneration of the auditors.

**By Order of the Board**



**Secretary**

7 March 1995  
85 Watling Street  
London EC4M 9BX

A member entitled to attend and vote may appoint one or more proxies to attend and on a poll to vote on his behalf. A proxy need not be a member.