

REGISTERED NO: 616189

**CHARTERHOUSE
DEVELOPMENT
CAPITAL HOLDINGS
LIMITED**



REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

REPORT OF THE DIRECTORS

To be presented at the Forty-Third Annual General Meeting of Charterhouse Development Capital Holdings Limited to be held at 85 Watling Street, London EC4M 9BX on 3 May 2001.

DIRECTORS

The Directors of the Company are:

Mr E G Cox	-	Chairman
Mr J G Bonnyman	-	Chief Executive
Miss K Adderley		
Mr D Aldred		
Mr G J Arbuthnott		
Mr E A P Benthall		
Mr W B D Dockeray		
Mr S M Drury		
Mr L L M Giacomotto		
Mr J E Greenhalgh		
Mr N J Hamway		
Mr A R May		
Dr J N Nicholls		
Mr M I Offord		
Mr A Padrini		
Mr R G Pilgrim		
Mr T R Plant		
Mr S D Simpson		

Miss K Adderley was appointed on 6 April 2000.

Mr D J H Metzger resigned on 16 January 2001.

PRINCIPAL ACTIVITY

The principal activity of the Company is to acquire, through its subsidiary undertakings and managed funds, and subsequently dispose of, interests in unlisted companies. The principal activity has not changed during the year and no changes are planned in the foreseeable future.

LOSS AND DIVIDENDS

The loss for the year after taxation was £11,710,000 (1999 profit £11,638,000). An interim dividend of £25,000,000 (1999 nil) has been paid during the year and the Directors do not recommend payment of a final dividend (1999 nil).

DIRECTORS' INTERESTS

The Directors had no interests at 31 December 2000 in the shares of the Company or in the shares of any other company in the group of which it is a member.

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.

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by UK company law to prepare accounts for each financial year which show 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 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 2000. 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 to prevent and detect fraud and other irregularities.

AUDITORS

During the year, HSBC Holdings plc acquired CCF Charterhouse Group and, as a consequence, it was necessary that PricewaterhouseCoopers resigned as the Company's auditors. KPMG Audit Plc were appointed as the Company's auditors by the Directors during the year. Accordingly, a resolution will be proposed at the Annual General Meeting for their reappointment.

By Order of the Board



Secretary

9 April 2001

85 Watling Street
London EC4M 9BX

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	Notes	2000 £'000s	restated 1999 £'000s
Turnover	2	364	(1,653)
Administrative expenses	3	(6,200)	(2,713)
Operating profit		(5,836)	(4,366)
Interest receivable		251	347
Dividends receivable from subsidiary undertakings		18,398	17,065
Interest payable		(4,923)	(2,131)
Profit on ordinary activities before taxation		7,890	10,915
Tax recoverable on profit on ordinary activities	5	5,400	723
Profit on ordinary activities after taxation		13,290	11,638
Interim dividends £0.86 per share (1999 nil)		(25,000)	-
(Loss)/retained profit for the year		(11,710)	11,638
Retained profit at 1 January 2000		16,667	5,029
Retained profit at 31 December 2000		4,957	16,667

All income and expenditure arose from continuing activities.

The only movement in Shareholders' Funds is the retained loss for the year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses in the current accounting period other than the loss as stated above. The Company has therefore taken advantage of the exemption for producing a Statement of Total Recognised Gains and Losses.

There is no material difference between reported profits and historical cost profits.

The notes on pages 5 to 9 form part of these accounts

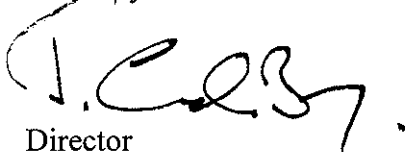
CHARTERHOUSE DEVELOPMENT CAPITAL HOLDINGS LIMITED

BALANCE SHEET

at 31 December 2000

	Notes	2000 £'000s	1999 £'000s
FIXED ASSETS			
Investments			
Shares in subsidiary undertakings	6	39,490	39,490
Loans to subsidiary undertakings	7	114,947	143,852
Other investments	8	1,822	1,822
		<u>156,259</u>	<u>185,164</u>
CURRENT ASSETS			
Cash at bank		4,475	1,316
Taxation recoverable		9,037	2,138
Other debtors		1,364	6,013
		<u>14,876</u>	<u>9,467</u>
CREDITORS: amounts falling due within one year			
Bank overdraft		79,659	95,865
Amounts owed to subsidiary undertakings		57,419	52,609
		<u>137,078</u>	<u>148,474</u>
NET CURRENT LIABILITIES		<u>(122,202)</u>	<u>(139,007)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,057</u>	<u>46,157</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax		-	390
		<u>34,057</u>	<u>45,767</u>
CAPITAL AND RESERVES			
Called up share capital	9	29,100	29,100
Profit and loss account		4,957	16,667
EQUITY SHAREHOLDERS' FUNDS		<u>34,057</u>	<u>45,767</u>

The accounts were approved by the Board of Directors on 9 April 2001 and were signed on its behalf by:



Director

The notes on pages 5 to 9 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

Group accounts have not been prepared because the Company is itself a wholly owned subsidiary of another body corporate registered in England and Wales.

Cash flow statement

These financial statements do not contain a cash flow statement by virtue of the exemptions available to the Company under paragraph 5(a) of Financial Reporting Standard No. 1 (Revised 1996), as the Company's financial statements are included in the consolidated financial statements of its ultimate parent company, which are publicly available.

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.

2 TURNOVER

	2000 £'000s	1999 £'000s
Income distributions from managed funds	155	31
Profit on the sale of investments	83	86
Provision against investments	-	(1,770)
Foreign exchange gain	126	-
	364	(1,653)

3 ADMINISTRATIVE EXPENSES

The auditors' remuneration has been borne by a subsidiary undertaking.

The Company had no employees during the financial year (1999 nil).

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000

4 DIRECTORS' EMOLUMENTS

	2000 £'000s	1999 £'000s
Aggregate (excluding contributions to defined benefit pension schemes)	2,519	4,810
Payments made during the year under long term incentive schemes	724	832
Company pension contribution to money purchase schemes	75	471
	<u>3,318</u>	<u>6,113</u>
Highest paid Director:		
Emoluments	231	714
Payments to personal pension plan	-	35

Payments made to and on behalf of former directors in respect of incentive schemes amounted to £24,812 (1999 £11,000) for 1 director (1999 4).

	2000	1999
Number of directors who:		
- are members of a defined benefit scheme	15	14
- are members of money purchase schemes (includes nil (1999: 3) Director who is also a member of a defined benefits scheme (disclosed above))	3	7
- have received awards during the year in the form of long term incentive schemes	14	14

5 TAX RECOVERABLE ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000s	restated 1999 £'000s
UK Corporation tax credit at 30% (1999 30.25%)	2,860	723
Prior year credit adjustment	2,150	-
Deferred taxation charged	390	-
	<u>5,400</u>	<u>723</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000 (continued)

6 SHARES IN SUBSIDIARY UNDERTAKINGS

The Company held all the voting rights:

	Country of Incorporation/ Registration	2000 £'000s	1999 £'000s
Charterhouse Business Expansion Fund Management Ltd	England & Wales	-	-
Charterhouse Buy-Out Fund Advisers Ltd	England & Wales	-	-
Charterhouse Buy-Out Fund Managers (Jersey) Ltd	Jersey	25	25
Charterhouse Development (France) Ltd	England & Wales	26	26
Charterhouse Development Capital Fund (Holdings) Ltd	England & Wales	5,031	5,031
Charterhouse Development Capital Ltd	England & Wales	443	443
Charterhouse Development Loans Ltd	Scotland	29,000	29,000
Charterhouse Development Ltd	England & Wales	2,000	2,000
Charterhouse Finance Corporation Ltd	Scotland	2,928	2,928
Charterhouse General Partners (VI) Ltd	England & Wales	5	5
Charterhouse General Partners Ltd	England & Wales	5	5
Charterhouse Second Venture Fund Management Ltd	England & Wales	10	10
Charterhouse Venture Nominees Ltd	England & Wales	-	-
CHEF Nominees Ltd	England & Wales	-	-
Sideros Holding BV	The Netherlands	17	17
		<u>39,490</u>	<u>39,490</u>

All the companies are engaged in the provision of development capital and related activities. All of the above companies are wholly owned. In the opinion of the Directors the valuation of these subsidiaries is not less than the amount shown above.

7 LOANS TO SUBSIDIARY UNDERTAKINGS

	£'000s
At 1 January 2000	143,852
Net movement in the year	(28,905)
At 31 December 2000	<u>114,947</u>

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000 (continued)

8 OTHER INVESTMENTS

	£'000s
Cost	
1 January 2000	8,358
Additions	4
Disposals	(4)
31 December 2000	<u>8,358</u>
Provisions	
1 January 2000	6,536
Increase during the year	-
31 December 2000	<u>6,536</u>
Net Book Value	
31 December 2000	<u>1,822</u>
31 December 1999	<u>1,822</u>

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

9 SHARE CAPITAL

	2000 £'000s	1999 £'000s
Authorised, allotted, called up and fully paid		
29,100,000 Ordinary shares of £1 each	<u>29,100</u>	<u>29,100</u>

10 CAPITAL COMMITMENTS

The Company had no contracted capital commitments at 31 December 2000 (1999 nil).

11 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 December 2000 (1999 nil).

12 RELATED PARTY TRANSACTIONS

Under the terms of Financial Reporting Standard No.8 Related Party Disclosures the Company is exempt from disclosing transactions with companies 90% or more controlled within the same Group as the consolidated financial statements in which the Company is included are publicly available. Certain directors of the Company have interests in 'B units' in Charterhouse Carried Interest Trust ("CCIT") a Jersey registered unauthorised Unit Trust. These 'B units' constitute a 23.9% interest in CCIT. Amounts received in respect of these units held by Directors are included in Directors emoluments. The total value of investments held in the trust were £15.5m (1999 £16.4m).

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000 (continued)

13 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of CCF Charterhouse Limited, which is incorporated in England and Wales.

The Company's ultimate controlling party as defined under Financial Reporting Standard 8 "Related Party Disclosures" (FRS 8) is HSBC Holdings plc, which is incorporated in England and Wales. The Company is controlled, as defined in FRS 8, by Crédit Commercial de France SA, which is incorporated in France.

The smallest and largest group in which the financial statements of the Company are consolidated are Crédit Commercial de France SA and HSBC Holdings plc respectively.

The consolidated financial statements of HSBC Holdings plc are available to the public and may be obtained from HSBC Holdings plc, Group Corporate Affairs, 10 Lower Thames Street, London EC3R 6AE.

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

We have audited the accounts on pages 3 to 9.

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 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 accounts. 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 at 31 December 2000 and of its profit 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**

9 April 2001

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-Third Annual General Meeting of Charterhouse Development Capital Holdings Limited will be held at 85 Watling Street, London EC4M 9BX on 3 May 2001 for the following purposes:

- 1 To receive the Directors' Report and Accounts for the year ended 31 December 2000 and the Auditors' Report thereon.
- 2 To reappoint the auditors, KPMG Audit Plc.
- 3 To authorise the Directors to determine the remuneration of the auditors.

By Order of the Board



Secretary

9 April 2001

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.