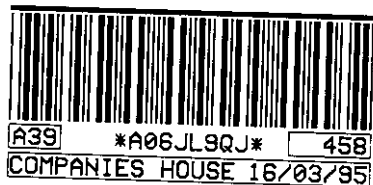


Registered No : 2290328

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1994



CHARTERHOUSE EUROPEAN MANAGERS LIMITED

REPORT OF THE DIRECTORS

To be presented at the Fifth Annual General Meeting of Charterhouse European Managers Limited to be held at 85 Watling Street, London EC4M 9BX on 28 February 1995.

DIRECTORS

The Directors of the Company are:

Mr M V Blank
Mr E G Cox
Mr N J Hamway
Mr J G Bonnyman
Mr M R B Gatenby
Mr D Nussbaum
Mr T R Plant

Mr T R Plant was appointed on 21 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as general partner of the collective investment scheme known as Charterhouse European Partners.

LOSS AND DIVIDENDS

The loss for the year after taxation was £316,000 (1993 profit £420,000). The Directors recommend the payment of a dividend of £250,000 (1993 nil). The loss has been deducted from reserves.

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 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 as at the end of the financial year and of the profit or loss of the Company for that year.

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

REPORT OF THE DIRECTORS continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES continued

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 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



Director

27 February 1995

85 Watling Street
London EC4M 9BX

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1994

		15 months ended 31 December 1993	
	Notes	£'000s	£'000s
Turnover	2	1,473	1,409
Administrative expenses	3	(1,950)	(1,642)
Operating profit		(477)	(233)
Interest receivable		16	57
Interest payable		(10)	(16)
Loss on ordinary activities before taxation		(471)	(192)
Taxation	4	155	612
(Loss)/profit on ordinary activities after tax		(316)	420
Proposed final dividend of £6.25 per share (1993 nil)		(250)	-
Retained (loss)/profit for the year		(566)	420
Retained profit at 1 January 1994		638	218
Retained profit at 31 December 1994		72	638

All activities are continuing.

STATEMENT OF RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses in the current or prior accounting period other than the profit as stated above.

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

The notes on pages 5 to 7 form part of these accounts.

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

BALANCE SHEET at 31 December 1994

	Notes	£'000s	1993 £'000s
CURRENT ASSETS			
Debtors and prepayments		-	200
Bank balance with fellow subsidiary undertaking		64	325
Amounts owed by parent undertaking		240	500
Taxation recoverable		218	63
		<u>522</u>	<u>1,088</u>
CREDITORS - amounts falling due within one year			
Accruals and deferred income		250	250
Subordinated loan		160	160
		<u>410</u>	<u>410</u>
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>112</u>	<u>678</u>
CAPITAL AND RESERVES			
Called up share capital	6	40	40
Profit and loss account		72	638
EQUITY SHAREHOLDERS' FUNDS			
		<u>112</u>	<u>678</u>

The accounts were approved by the Board of Directors on 27 February 1995 and were signed on its behalf by:



Director

The notes on pages 5 to 7 form part of these accounts.

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

NOTES TO THE ACCOUNTS at 31 December 1994

1 ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The cash flow statement of the Company is included in the consolidated group cash flow statement of Charterhouse plc. Consequently the Company is exempt under the terms of the Financial Reporting Standard No. 1 from publishing a cash flow statement.

2 TURNOVER

Turnover represents fees received and receivable by the Company in respect of its management profit share.

The Company receives a management profit share from Charterhouse European Partners in advance. The amount receivable is the greater of 2 per cent of the total commitments called down less the amount returned in respect of the Limited Partners and £1,000,000 per annum.

3 ADMINISTRATIVE EXPENSES

This comprises fees and expenses. Auditors' remuneration has been borne by a fellow subsidiary undertaking.

The Directors do not receive any remuneration for their services to the Company and have not waived any remuneration (1993 nil).

NOTES TO THE ACCOUNTS at 31 December 1994 continued

4 TAXATION

	1994 £'000s	1993 £'000s
Corporation tax credit at 33 % (1993 33 %)	155	63
Prior period adjustment	-	234
Deferred tax	-	315
	<u>155</u>	<u>612</u>

5 SUBORDINATED LOAN

A subordinated loan has been made by Charterhouse Finance Corporation Limited, the intermediate parent undertaking, to the Company. The loan is repayable on demand and with the consent of the Company's regulating body, the Investment Management Regulatory Organisation Limited (IMRO). However, it is unlikely that it will be repaid within one year. The loan bears interest at LIBOR plus one per cent and is subordinated to the rights of senior creditors, being any unsubordinated creditors or subordinated creditors other than those whose claims rank pari passu or junior to the claims of Charterhouse Finance Corporation Limited.

6 SHARE CAPITAL

	1994 £'000s	1993 £'000s
Authorised		
250,000 Ordinary shares of £1 each	250	250
	===	===
Allotted, called up and fully paid		
40,000 Ordinary shares of £1 each	40	40
	===	===

Under the terms of a demand note issued on 20 September 1989, Charterhouse Finance Corporation Limited has agreed to subscribe, at any time upon the request of the Company, for an additional £200,000 of shares on the same terms as its original subscription.

NOTES TO THE ACCOUNTS at 31 December 1994 continued

7 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Charterhouse Finance Corporation Limited, which is registered in Scotland. The parent undertaking of the smallest group of which the Company is a member for which group accounts are drawn up is Charterhouse Development Capital Holdings Limited. Copies of the accounts are available from The Secretary, 85 Watling Street, London EC4M 9BX.

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 Holding S.A., 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 S.A. are available from that company at 8 Avenue Marie-Therese, L2132 Luxembourg.

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF CHARTERHOUSE EUROPEAN MANAGERS LIMITED

We have audited the accounts on pages 3 to 7.

Respective responsibilities of directors and auditors

As described on page 1, 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 Company 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.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
London

27 February 1995

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of Charterhouse European Managers Limited will be held at 85 Watling Street, London EC4M 9BX on 28 February 1995 for the following purposes:

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

To approve the payment of a final dividend of £6.25 per share.

To reappoint the auditors Coopers & Lybrand

By Order of the Board



Director

27 February 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.