

REGISTERED NO. 2290328

CHARTERHOUSE EUROPEAN MANAGERS LIMITED



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REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

REPORT OF THE DIRECTORS

To be presented at the Twelfth Annual General Meeting of Charterhouse European Managers Limited to be held at 85 Watling Street, London EC4M 9BX on 4 April 2002.

DIRECTORS

The Directors of the Company are:

Mr E G Cox
Mr N J Hamway
Mr J G Bonnyman
Mr T R Plant

PRINCIPAL ACTIVITY

The principal activity of the Company was to act as general partner of the Limited Partnerships comprising Charterhouse European Partners. Although Charterhouse European Partners terminated on 31 December 1999, the Company continues to act as liquidating trustee.

PROFIT AND DIVIDENDS

There was no profit for the year after taxation (2000 nil). No interim dividend was paid during the year (2000 £500,000). The Directors recommend payment of a final dividend of £71,000 (2000 nil) which will reduce the reserves to nil.

DIRECTORS' INTERESTS

The Directors had no interests at 31 December 2001 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 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 2001. 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.

REPORT OF THE DIRECTORS (continued)

AUDITORS

During the year, Charterhouse Capital Partners Limited acquired Charterhouse Development Capital Holdings Limited and certain of its , including the Company. KPMG Audit plc resigned as auditors of the Company and indicated that there were no circumstances connected with their resignation which they considered should be brought to the notice of the shareholders or creditors. PricewaterhouseCoopers 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

1 March 2002

85 Watling Street
London EC4M 9BX

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Notes	2001 £'000s	2000 £'000s
Turnover	2	-	-
Administrative expenses	3	(3)	(1)
Operating loss		(3)	(1)
Interest receivable		3	1
Profit on ordinary activities before taxation		-	-
Tax on profit or loss on ordinary activities		-	-
Profit on ordinary activities after taxation		-	-
Interim dividend nil per share (2000 £12.50 per share)		-	(500)
Final dividend £1.78 per share (2000 nil per share)		(71)	-
Loss for the year		(71)	(500)
Retained profit at 1 January 2001		71	571
Retained profit at 31 December 2001		-	71

All income and expenditure arose from continuing activities.

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses in the current or prior 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 the reported loss and historical cost equivalent.

The notes on pages 5 and 6 form part of these accounts

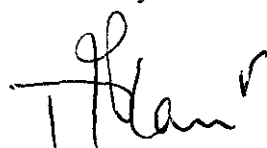
CHARTERHOUSE EUROPEAN MANAGERS LIMITED

BALANCE SHEET

at 31 December 2001

	Notes	2001 £'000s	2000 £'000s
CURRENT ASSETS			
Amounts due from parent undertaking		-	257
Cash at bank		114	14
		<u>114</u>	<u>271</u>
CREDITORS - amounts falling due within one year			
Subordinated loan	4	-	160
Amount due to fellow subsidiary		3	-
Proposed final dividend		71	-
		<u>74</u>	<u>160</u>
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>40</u>	<u>111</u>
CAPITAL AND RESERVES			
Called up share capital	5	40	40
Profit and loss account		-	71
		<u>40</u>	<u>111</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>40</u>	<u>111</u>

The accounts were approved by the Board of Directors on 1 March 2002 and were signed on its behalf by:



Director

The notes on pages 5 and 6 form part of these accounts

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2001

1 ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The financial statements of the Company are included in the consolidated financial statements of its ultimate parent company. Consequently, the Company is exempt under the terms of FRS 1 (Revised 1996) Cash Flow Statements from publishing a cash flow statement.

2 TURNOVER

Turnover represented fees received and receivable by the Company in respect of its management profit share. As from 1 January 1999, the General Partner has decided to waive its entitlement to management priority profit share for the remaining life of the Partnerships.

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 (2000 nil).

4 SUBORDINATED LOAN

A subordinated loan from Charterhouse Finance Corporation Limited was repaid during the year.

5 SHARE CAPITAL

	2001 £'000s	2000 £'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

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2001 (continued)

6 RELATED PARTY TRANSACTIONS

The Company is the General Partner of the Limited Partnerships in Charterhouse European Partners ("CEP"). CEP is not a legal entity but a co-investment vehicle consisting of three UK Limited Partnerships.

As the General Partner, the Company is entitled to receive a management fee by way of a priority profit share from the partnerships based on 2% per annum of the total commitments called down reduced by the acquisition cost of any investments realised or written off. As from 1 January 1999, the General Partner has decided to waive its entitlement to management priority profit share for the remaining life of the Partnerships.

Certain directors and key executives of Charterhouse Development Capital Limited (a fellow subsidiary) co-invest in parallel to the Limited Partners and are entitled to a share of the carried interest payments.

7 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and ultimate controlling party as defined under Financial Reporting Standard 8 "Related Party Disclosures" (FRS 8) is Charterhouse Capital Partners Limited, which is incorporated in England and Wales. With effect from 1 January 2002, the parent company of Charterhouse Capital Partners Limited is Charterhouse Capital Limited, which is incorporated in England and Wales.

The smallest and largest group in which the financial statements of the Company are consolidated is Charterhouse Capital Partners Limited.

The consolidated financial statements of Charterhouse Capital Partners Limited may be obtained from the Company Secretary, 85 Watling Street, London EC4M 9BX.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHARTERHOUSE EUROPEAN MANAGERS LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. 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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 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 at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

1 March 2002

CHARTERHOUSE EUROPEAN MANAGERS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of Charterhouse European Managers Limited will be held at 85 Watling Street, London EC4M 9BX on 4 April 2002 for the following purposes:

1. To receive the Directors' Report and Statement of Accounts for the year ended 31 December 2001 and the Auditors' Report thereon
2. To reappoint the auditors, PricewaterhouseCoopers.

By Order of the Board



Secretary

1 March 2002

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.