

REGISTERED NO. 2290328

**CHARTERHOUSE  
EUROPEAN  
MANAGERS  
LIMITED**



**REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999**

## **CHARTERHOUSE EUROPEAN MANAGERS LIMITED**

### **REPORT OF THE DIRECTORS**

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To be presented at the Tenth Annual General Meeting of Charterhouse European Managers Limited to be held at 85 Watling Street, London EC4M 9BX on 20 March 2000.

#### **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 is to act as general partner of the Limited Partnerships number 1, 2 and 3 of Charterhouse European Partners. Although this Fund terminated automatically on 31 December 1999, the Company will continue to act as liquidating trustee to deal with all remaining issues.

#### **PROFIT AND DIVIDENDS**

The profit for the year after taxation was £122,000 (1998 £441,000). The Directors do not recommend the payment of a dividend.

#### **DIRECTORS' INTERESTS**

The Directors had no interests at 31 December 1999 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.

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 1999. 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)**

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**YEAR 2000**

Charterhouse is committed to ensuring that all systems used within the group are Year 2000 compliant, including those systems used by the Company. No significant Year 2000 problems have been experienced so far and none are anticipated in respect of subsequent potentially critical dates.

**AUDITORS**

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

**By Order of the Board**



**Secretary**

11 February 2000

85 Watling Street  
London EC4M 9BX

**CHARTERHOUSE EUROPEAN MANAGERS LIMITED****PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1999

	Notes	1999 £'000s	1998 £'000s
Turnover	2	-	452
Administrative expenses	3	(1)	(3)
Operating profit		(1)	449
Interest receivable from fellow subsidiary		1	50
Profit on ordinary activities before taxation		-	499
Taxation credit/(charge) on profit on ordinary activities	4	122	(58)
Profit on ordinary activities after taxation		122	441
Interim dividend (1998 £10 per share)		-	(400)
Retained profit for the year		122	41
Retained profit at 1 January 1999		449	408
Retained profit at 31 December 1999		571	449

All activities are continuing.

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

**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 and 6 form part of these accounts

**CHARTERHOUSE EUROPEAN MANAGERS LIMITED**

**BALANCE SHEET**

at 31 December 1999

	Notes	1999 £'000s	1998 £'000s
<b>CURRENT ASSETS</b>			
Amounts due from parent undertaking	5	757	774
Cash at bank with fellow subsidiary undertaking		14	13
		<u>771</u>	<u>787</u>
<b>CREDITORS - amounts falling due within one year</b>			
Subordinated loan	6	160	160
Taxation payable		-	138
		<u>160</u>	<u>298</u>
<b>NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>611</u>	<u>489</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	40	40
Profit and loss account		571	449
		<u>611</u>	<u>489</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
		<u>611</u>	<u>489</u>

The accounts were approved by the Board of Directors on 11 February 2000 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 1999

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 from publishing a cash flow statement.

**Income**

Other income is accounted for on an accruals basis with the exception of dividends and realisation profits which are credited to income as received.

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 (1998 nil).

4 TAXATION

	1999 £'000s	1998 £'000s
Corporation tax	-	(15)
Taxation attributable to UK dividends received	-	(43)
Corporation tax - prior period adjustment	122	-
	<u>122</u>	<u>(58)</u>

5 AMOUNT DUE FROM PARENT UNDERTAKING

The loan to the parent undertaking is interest free and at call.

6 SUBORDINATED LOAN

A subordinated loan has been made by Charterhouse Finance Corporation Limited, the immediate 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 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.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1999 (continued)

7 SHARE CAPITAL

	1999 £'000s	1998 £'000s
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	250	250
<b>Allotted, called up and fully paid</b>		
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.

8 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.

9 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Charterhouse Finance Corporation Limited. 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 Crédit Commercial de France SA, which is incorporated in France and is the company regarded by the Directors as being the Company's ultimate parent undertaking and ultimate controlling party as at 31 December 1999.

Copies of the accounts of Crédit Commercial de France SA are available from that company at 103 avenue des Champs-Élysées, 75008 Paris, France.

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

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We have audited the accounts on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

The Directors are responsible for preparing the annual report. As described on page 1, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom 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 accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Director's report is not consistent with the accounts, if the Company has not kept proper accounting records or 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 accounts.

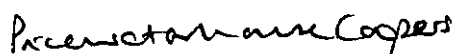
**Basis of audit opinion**

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 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 Company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
London

11 February 2000



**CHARTERHOUSE EUROPEAN MANAGERS LIMITED**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Tenth Annual General Meeting of Charterhouse European Managers Limited will be held at 85 Watling Street, London EC4M 9BX on 20 March 2000 for the following purposes:

1. To receive the Directors' Report and Statement of Accounts for the year ended 31 December 1999 and the Auditors' Report thereon
2. To reappoint the auditors, PricewaterhouseCoopers

**By Order of the Board**



**Secretary**

11 February 2000

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.