

Cinven Capital Management Limited

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

for the year ended 31 October 1997



Cinven Capital Management Limited

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company for the year to 31 October 1997.

Activities

The principal activity of the Company is to act as General Partner of The Cinven Fund which closed in the sum of £301,000,000 on 15 November 1996. The Company's ultimate parent company is Cinven Group Limited.

During the year, the administrative expenses of the Company were borne by Cinven Limited.

Review of Developments

Directors and their Interests

The present membership of the Board is set out below together with details of Directors who served within the year.

Mr R A Hall (Chairman)

Mr J F Brown

Mr I A Carslaw

Mr Y V Chotai

Mr J G G Clarke

Mr G B Davison

Mr A N Joy

Mr G J Keniston-Cooper

Mr H M Langmuir

Mr B A Linden

Mr A W Marchant

Mr R J Munton

Mr C D Nicholson

Mr S N Rowlands

Mr N B Wheeler

The Directors have a beneficial interest in the shares of Cinven Group Limited. This beneficial interest is disclosed in the statutory accounts of Cinven Group Limited. The Directors have no beneficial interests in the shares of any other group company. All of the Directors are Directors of Cinven Group Limited, the holding company of Cinven Limited.

Cinven Capital Management Limited

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Secretary

17 December 1997

Cinven Capital Management Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial year which 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. In preparing those financial statements, the Directors are required to:

select suitable accounting policies and then apply them consistently;

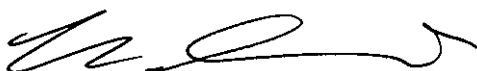
make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed;

prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

A handwritten signature in black ink, appearing to be a stylized 'M' followed by a flourish.

17 December 1997

Cinven Capital Management Limited

AUDITORS' REPORT TO THE MEMBERS OF CINVEN CAPITAL MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 affairs of the Company as at 31 October 1997 and of the result of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

17 December 1997

Stonecutter Court

1 Stonecutter Street

London

EC4A 4TR

Cinven Capital Management Limited

PROFIT & LOSS ACCOUNT

Year ended 31 October 1997

There were no transactions on revenue account in the year. The expenses of administration were borne by Cinven Limited.

BALANCE SHEET

31 October 1997

	Note	31 October 1997 £	31 October 1996 £
Fixed assets			
Investments	2	426,122	-
Current assets			
Debtors - called up equity share capital not yet paid		2	2
Creditors : amounts falling due within one year	3	(426,122)	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(426,120)</u>	<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2	2
TOTAL NET ASSETS		<u><u>2</u></u>	<u><u>2</u></u>
CAPITAL AND RESERVES			
Equity share capital	4	<u><u>2</u></u>	<u><u>2</u></u>

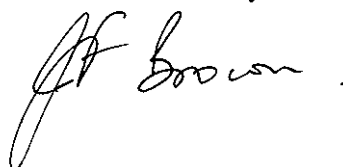
These financial statements were approved by the Board of Directors on 17 December 1997.

Signed on behalf of the Board of Directors

Director



Director



Cinven Capital Management Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 1997

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the Directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments are stated at cost less provisions for any permanent diminution in value.

2. Investments

	£
Cost	
Balance at 1 November 1996	-
Additions	435,868
Disposals	(9,746)
Balance at 31 October 1997	<u>426,122</u>

3. Creditors : amounts falling due within one year

	31 October 1997 £	31 October 1996 £
Amounts owed to parent company	<u>426,122</u>	<u>-</u>

Cinven Capital Management Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 October 1997

4. Equity share capital

	Number of shares	31 October 1997 Share capital £	Number of shares	31 October 1996 Share capital £
Authorised				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Called up and allotted				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

5. Capital Commitments

	31 October 1997 £000	31 October 1996 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>424</u>	<u>-</u>

6. Ultimate Parent Company

The Directors regard Cinven Limited as its immediate parent company and Cinven Group Limited as its ultimate parent company, both companies being registered in England and Wales. Copies of the ultimate parent's consolidated financial statements can be obtained from The Registrar of Companies, Crown Way, Maindy, Cardiff CF4 3UZ.