CDC

Financial Report 2001

cdcgroup.uk

Company No. 3877777

Contents

There are a number of additional executive working groups which support both the operational and investment functions.

Board committees
The board has four principal standing committees to assist it in fulfilling its responsibilities:

- Audit and compliance committee
Comprises three Non-Executive Directors: Jayne Almond (chair), Lalith de Mel and Peter Smitham. The Chief Executive and Finance Director attend by invitation. The committee meets no fewer than three times a year and additionally as required.

The committee's main duties are to oversee the affairs of CDC; review the financial statements; review the findings of the external auditors; direct the internal audit function; monitor the management accounting and valuations procedures and policies; investigate any irregularities; oversee the company's regulated activities and compliance function; monitor the company's risk management function; and make recommendations to the board on remuneration for the external auditors. The committee also reviews CDC's system of internal control, further details of which are set out below.

- Business principles committee
Comprises four Non-Executive Directors (including the Directors nominated by the Secretary of State): Jonathan Kydd (chair), Lalith de Mel, Lord Cairns and Tim Parker. The Chief Executive attends by invitation. The committee meets no fewer than three times a year and additionally as required.

The committee ensures that CDC's business principles are embedded in its operations. It also reviews and reports to the board on the continued appropriateness of or change to the business principles. An executive business principles team supports the committee. The report of the business principles committee is on page 14.

- Remuneration committee
Comprises three Non-Executive Directors: Jayne Almond (chair), Peter Smitham and Tim Parker. The Chairman and Chief Executive attend by invitation. The committee meets no fewer than twice a year and additionally as required. The committee's remit includes determining remuneration packages for the Executive Directors and making recommendations to the board on the company's policy on executive remuneration. Details are set out in the report on remuneration on page 12.

- Nomination committee
Comprises three Directors, two of whom are non-executives: Lord Cairns (chair), Jayne Almond and Alan Gillespie. It meets on an ad hoc basis, as required. Its responsibilities include reviewing the board's structure, size and composition, and succession planning (having regard to the rights of the Secretary of State as holder of the special share).

Litigation/legal affairs
Litigation and other legal affairs are managed by the General Counsel's office.

Internal control
The board is ultimately responsible for CDC's internal control system and reviewing its effectiveness. The design and operation of the system is delegated to the Executive Directors. Its effectiveness is regularly reviewed by the audit and compliance committee. The system described below has not been applied to CDC Group plc associates.

CDC's internal control system provides the board with reasonable assurance that potential problems will normally be prevented, or will be detected early and appropriate action taken. Material breaches are reported to the audit and compliance committee and are properly actioned. As with any system of internal control, CDC's system cannot provide absolute assurance against material mis-statement or loss. The audit committee has conducted a review of effectiveness of the group's internal controls and is satisfied with the internal control system in 2001.

The key elements of the system include:

- detailed business planning and control systems, including annual budgeting, business planning and monthly reporting against financial and business targets;

- regular reviews by the Chief Executive of corporate strategies, business principles and commercial objectives;

- appropriate management authorisation, approval and control levels, from the Chief Executive down. The board must specifically approve transactions above these levels;

- a regular portfolio valuation process. The greatest single risk to CDC is a significant reduction in the value of its portfolio. This can be considerably affected by external factors beyond CDC's control. The board is, however, satisfied that the valuation process, described in section 5 on page 4, is rigorous and effective.

CDC has an executive internal audit team, which operates to a programme approved by the audit and compliance committee, concentrating on areas of higher risk. In addition, CDC's external auditors review the system of internal controls and the information on them contained in CDC's annual report and accounts to the extent necessary in forming their opinion.

CDC's executive risk management team operates a continuous process, agreed with the audit and compliance committee, of identifying, evaluating and managing any significant risk, financial or non-financial, faced by the company. This process also ensures that appropriate internal control mechanisms are in place. The team provides regular reports to the audit and compliance committee.

Investment management and voting
In making investments, CDC aims to add value to investee businesses. The basis for assessing added value has included augmenting capital flows, improving project structure, initiating and developing new enterprises and, sometimes, providing technical and professional support.

CDC nominates third parties, as well as its own employees, to serve on the boards of investee companies and managed funds. CDC's policy is full corporate participation, including voting on all resolutions raised at investee company meetings.

Employees
CDC's policy on employment is one of equal opportunity in the recruitment, training, career development and promotion of employees, whether disabled or otherwise.

Formal employee appraisals and informal discussions are the group's principal means of keeping up to date with the views and opinions of its employees. In addition, managers throughout CDC are responsible for keeping their employees up to date with developments and performance of the business, which is achieved via regular feedback meetings.

Policy for paying creditors
CDC's policy is to pay its creditors promptly, as encouraged by UK Government initiatives. At 31 December 2001 the company had an average of 17 days' purchases outstanding in trade creditors (2000: 26 days).

Political and charitable contributions
No political or charitable donations were made by the company during the period.

Auditors
On 28 June 2001, Ernst & Young, the company's auditors, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

Joseph Whitfield
Secretary, CDC Group plc
On behalf of the board of Directors
13 March 2002

Remuneration policy for Executive Directors and senior executives
The company has complied throughout the year with section A of the best practice provisions annexed to the Stock Exchange listing rules and has paid full consideration to section B when determining remuneration policy.

CDC operates in a very competitive market and it needs to be able to attract, develop and retain high quality staff at all levels. Remuneration policy has an important part to play in achieving this objective. CDC aims to offer staff remuneration packages which are competitive in the relevant market and which reflect individual performance.

Elements of remuneration

BASE SALARY
Individual base salaries reflect job responsibilities, market rate and the sustained level of individual performance. CDC sets base salaries taking account of the mid-market data derived from appropriate surveys of financial service organisations in general and private equity providers in particular. External independent advice through recognised salary surveys as to salary levels appropriate to individual responsibilities is undertaken annually. Executive Director and senior executive salaries are reviewed annually.

ANNUAL BONUS
In addition to salary, all employees are eligible for an annual performance related bonus, which is non-pensionable. The board believes that it is important that executives have an element of their annual remuneration 'at risk' and based on performance. The plan is a short term reward which reflects the individual's performance in the context of the overall performance of CDC, taking account of the adherence to the investment policy and statement of business principles. The maximum bonus Executive Directors may receive for the year to 31 December 2001 is a sum equivalent to 50% of their respective base salary.

LONG TERM INCENTIVE PLAN
This plan provides employees with the opportunity to share in the growth of the company over the longer term. The plan incorporates two award types, formula and discretionary. Awards are determined annually with the quantum of awards and the recipients changing from year to year. For 2001 the Executive Directors were awarded notional investments at the rate of three and half times their base salary.

Notional Investments, ie the awards are held within the plan for a period of three years. Payments are based on the 'gain' generated on the award, calculated on the Net Asset Value (NAV) growth of the company over the plan period, subject to a minimum average growth hurdle of 5% and adherence to the investment policy and statement of business principles. Payments are made in equal instalments over the two years following the plan term and are subject to an annual payment limit.

The table below gives an example of the theoretical level of 'gain' of the 2001 plan for the Executive Directors if NAV growth averages 10% per annum over the three year life of the plan.

Executive Directors	Example total payout at 10% NAV growth £
Alan Gillespie	196,950
Richard Laing	156,400
Paul Fletcher	156,400
Andrew Reicher	156,400
Nicholas Selbie	167,980

Since the establishment of the plan, NAV growth has been -3.8% (2000) and -13.4% (2001). It is unlikely, therefore, that there will be any financial benefit for participants in respect of the 2000 or 2001 plans.

BENEFITS IN KIND
Benefits in kind include medical and life insurance. Each Executive Director is provided with life assurance cover which will pay a lump sum equivalent to four times the Executive Director's salary in the event of the death of the Executive Director. In addition, permanent health insurance is provided to each Executive Director in the event that they are unable, through ill-health, to continue to work for the company, and private medical insurance is made available through PPP healthcare to Executive Directors and their families.

PENSION ARRANGEMENTS
Alan Gillespie receives a contribution equal to 17.5% of his base pay towards a personal pension plan while Paul Fletcher and Andrew Reicher receive a contribution of 15% of their base pay. Richard Laing and Nicholas Selbie are members of CDC's non-contributory Pensions Scheme (Final Salary section).

Richard Laing also received a contribution equal to £12,960 in respect of a funded unapproved retirement benefit scheme (FURBS).

SERVICE AGREEMENTS
The Executive Directors have service agreements terminable on both sides by twelve months' notice. The Non-Executive Directors do not have service agreements.

The appointments of Non-Executive Directors have no contractual termination date, but each Non-Executive Director (excluding the Non-Executive Directors appointed by the Secretary of State for International Development) will be subject to re-election at an annual general meeting in accordance with the provisions for retirement of Directors by rotation contained in the company's articles of association.

Compensation for early termination

Service agreements with Executive Directors contain no specific termination provisions; however, any compensation claims from departing Directors would be scrutinised by the remuneration committee.

Outside directorships

The company believes that it can benefit from Executive Directors holding non-executive appointments; it also believes that such appointments provide a valuable opportunity for personal and professional development. Such appointments are subject to the approval of the board and it is CDC's practice that fees derived from such appointments are normally returned to CDC. Alan Gillespie has three non-executive appointments (Northern Ireland Industrial Development Board, Elan Corporation plc and Ulster Bank Limited). Fees of £20,500 were returned to CDC in 2001.

Non-Executive Directors' remuneration

The Executive Directors make recommendations to the Chairman of the board in respect of Non-Executive Directors' fees for all the services normally expected of them as members of the board and its committees. The remuneration of the Non-Executive Directors was reviewed in August 2001 and the basic fee for all Non-Executive Directors (except for the Chairman and Deputy Chairman) is £15,000 per annum. The basic fee for the Chairman is £45,000 per annum and for the Deputy Chairman is £20,000 per annum. The fees paid to Non-Executive Directors in 2001 are set out in the table below. The Non-Executive Directors do not participate in any of the incentive or benefit schemes of the company.

Directors' remuneration
The remuneration of the Directors is as follows:

	Base salary and fees £	Benefits £	Performance related bonuses £	Total 2001 £	Total 2000 £
Non-Executive Directors					
CHAIRMAN					
Lord Cairns	37,500	-	-	**37,500**	32,250
DEPUTY CHAIRMAN					
Jayne Almond	16,333	-	-	**16,333**	13,146
Pen Kent (to 1 December 2001)	10,250	-	-	**10,250**	9,000
Jonathan Kydd	10,833	-	-	**10,833**	8,250
Russell Seal (to 2 May 2001)	4,375	-	-	**4,375**	10,620
Lalith de Mel (from 13 April 2000)	10,916	-	-	**10,916**	5,909
Peter Smitham (from 15 March 2001)	8,637	-	-	**8,637**	-
Tim Parker (from 1 December 2001)	1,416	-	-	**1,416**	-
Executive Directors					
Alan Gillespie	170,000	8,544	43,350	**221,894**	225,868
Richard Laing (from 24 January 2000)	135,000	1,009	35,000	**171,009**	160,405
Paul Fletcher (from 17 January 2001)	128,769	1,493	42,300	**172,562**	-
Andrew Reicher (from 17 January 2001)	128,769	1,187	32,300	**162,256**	-
Nicholas Selbie (from 17 January 2001)	138,308	931	32,100	**171,339**	-

Pension entitlements
The pension entitlement for the Executive Directors are as follows:

	2001 £	2000 £
Contribution to personal pension plan		
Alan Gillespie	**29,750**	28,000
Paul Fletcher	**24,781**	-
Andrew Reicher	**24,237**	-
Contribution to FURBS		
Richard Laing	**12,960**	9,745

	Increase, excluding inflation, in accrued pension during the year £	Transfer value of increase* £	Accumulated total accrued pension at 31 December 2001 £	Accumulated total accrued pension at 31 December 2000 £
Richard Laing	2,398	26,040	**4,571**	2,104
Nicholas Selbie	4,979	76,604	**60,819**	54,056

*Transfer value represents a liability of the company, not a sum paid or due to the individual.

CDC's business principles were formalised in 1998, based on international good practice in business integrity, health & safety, environmental and social issues. We have been working hard since then to apply these in a manner which is both effective and affordable. Both for our own internal purposes, and to provide useful information to external stakeholders, we decided to obtain an independent view of our progress in this regard. Following a selection process, we commissioned Ashridge Centre for Business and Society to undertake this work. Their report follows.

An independent statement on CDC's progress in implementing its business principles

Introduction

CDC Group plc commissioned Ashridge to examine how the organisation's business principles influence the way investments are selected, monitored and managed. Business principles have always been prominent in the organisation's investment decisions. From discussions with people throughout the organisation, it is clear that over the past three years CDC has been evolving more effective ways of embedding them into its corporate culture.

Purpose and scope

The purpose of the exercise was to consider the implementation of policies and procedures relating to health and safety, environmental and social (HSES) aspects of investment decisions. The aim was not to look at the HSES performance of individual investee companies. Rather, Ashridge undertook an examination of the systems by which CDC assesses, monitors and attempts to improve the HSES performance of potential and existing investments. The scope of the review exercise undertaken by Ashridge was limited in the following ways.

- The primary focus was on potential new equity investments made by CDC Capital Partners during the financial year 2001.
- Consideration was also given to the process by which HSES issues are monitored and managed in companies in which CDC Capital Partners has a continuing financial interest.
- The historic portfolio of loans (value in 2001 - £337 million) made through CDC Assets was outside the scope of this exercise.

Method

Ashridge looked at a total of fourteen potential and existing investments. They were carefully selected to represent the range of geographical areas, industrial sectors, size and type of deals undertaken by CDC.

Ashridge was given full access to all the internal documentation relating to each sampled investment. This material was supplemented with information from external sources where available. In addition, in-depth interviews were carried out with appropriate investment executives in the UK and overseas. The analysis of these investments was balanced by a series of one-to-one discussions with ten members of CDC's senior management team.

Findings - potential investments

Ashridge examined eight potential investments considered by CDC during 2001, representing approximately one in seven of all potential investments put through the screening process. Of these eight, two were finally approved and the investment disbursed (CDC approved a total of nine investments during 2001).

Ashridge found clear evidence that the investment executives in the strategic business units (those initially responsible for evaluating potential investments) are assessing potential investments in the light of HSES issues. In Ashridge's opinion, the key mechanism that demonstrates this process has been systematically carried out is the completion of the HSES Checklists.

Ashridge made the recommendation, which was implemented in November 2001, that all investment executives should be made aware that the completion of HSES Checklists is compulsory. They are now an integral part of the screening process, ensuring that all the necessary issues are considered and providing an early warning of potential HSES issues.

The mandatory completion of HSES Checklists is essential as it provides the foundation for a formal audit trail, allowing CDC to verify that its systems are being implemented effectively.

Findings - current investments

Ashridge also examined six (of the ninety) current equity investments in CDC Capital Partners portfolio - together these represent approximately 15% of the total value of existing equity investments.

There was evidence of CDC positively influencing the HSES policies and management systems of some investee companies. Typically, this is done through the following mechanisms:

- a CDC presence on the board
- requiring regular reporting on HSES performance
- site visits by investment executives and members of CDC's business principles unit
- informal contacts with senior management.

In addition, it is clear that CDC is aware of specific investments where there have been serious shortcomings in HSES performance standards in certain investee companies. CDC is continuing to monitor closely these investments and requires local management to report on remedial actions.

There are two key mechanisms by which HSES issues are monitored and reassessed:

- the completion of an investment valuation review form, which investment executives are required to undertake bi-annually
- the investment review meeting (which also takes place every six months) at which the senior management of CDC review all aspects of the performance of an investee company.

Again there was evidence that these mechanisms do result in specific action plans being developed for managing HSES issues in investee companies. However, Ashridge is concerned that this is not always carried out in a sufficiently rigorous or systematic way. In particular, the quality of information provided on HSES matters is often dependent on the initiative of the individual investment executive. More needs to be done to ensure that good practice in this area is systematically required of all investment executives in the management of investments for which they are responsible.

Recommendations
During 2001, CDC refined its systems for assessing, monitoring and managing HSES issues in potential and existing investments. Much has been done to ensure that these systems are put into operation effectively. However, Ashridge suggests that more could be done in two specific areas.

1. Training. Throughout 2001, all investment executives within CDC had access to training on implementing the company's business principles (either face-to-face or through the company's intranet as a streamed video). Ashridge recommends the continued development of training programmes, to ensure good practice by investment executives in this area is consistently applied across the organisation.

2. Monitoring and assessing ongoing investments. Investment executives are required to report bi-annually on the performance of investee companies. Ashridge recommends that investment executives must systematically review performance against the issues identified in the HSES Checklists. In circumstances where there have been changes to the HSES risk assessment, these must be reported to and recorded at the investment review meetings.

In Ashridge's view, implementing these two recommendations will allow independent auditing and external verification of the way HSES policies and procedures are put into operation throughout the investment cycle.

Signed on behalf of Ashridge by

Andrew Wilson

Andrew Wilson
13 March 2002

The business principles committee has accepted Ashridge's recommendations and work is already underway to implement these. We will continue to improve the practical application of the business principles throughout 2002 and beyond.

Jonathan Kydd

Jonathan Kydd
On behalf of the business principles committee

Auditors' report

Independent auditors' report to the members of CDC Group plc
We have audited the group's financial statements for the year ended 31 December 2001 which comprise the group profit and loss account, group balance sheet, company balance sheet, group cash flow statement, group statement of total recognised gains and losses, reconciliation of consolidated shareholders' funds, and the related notes 1 to 27. These financial statements have been prepared on the basis of the accounting policies set out therein.

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.

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 with the group are not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the combined code as far as is practicable, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' report, Operating and financial review and Board report on remuneration.

We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 group'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 mis-statement, 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 and of the group as at 31 December 2001, and the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
13 March 2002

Group profit and loss account

(for the year ended 31 December)

	Note	2001 £m	2000 £m
Turnover	2	**228.3**	248.8
Investment income	2	**73.7**	101.0
Group operating profit	2	**14.2**	38.0
Share of operating profit in associates		**4.2**	8.4
Total operating profit		**18.4**	46.4
Profit on sale of investments		**19.0**	19.4
Exceptional items	3	**(3.3)**	(11.7)
Interest receivable and similar income		**9.4**	5.9
Interest payable and similar charges	5	**(13.7)**	(14.7)
Investment and other provisions		**(149.8)**	(91.8)
Exchange gains and losses		**(0.3)**	5.4
Loss before taxation		**(120.3)**	(41.1)
Taxation (charge)/credit	6	**(8.8)**	1.3
Share of associates' taxation	6	**(0.4)**	(1.3)
Loss after taxation		**(129.5)**	(41.1)
Minority interest		**10.5**	(1.5)
Loss for the year		**(119.0)**	(42.6)
Transfer to shareholder		**-**	(159.6)
Transferred to reserves		**(119.0)**	(202.2)
Loss per share	8	**(119.0p)**	(42.6p)

Group statement of total recognised gains and losses

Loss for the year	**(119.0)**	(42.6)
Exchange difference on retranslation of net assets in subsidiaries	**6.8**	7.2
Total recognised gains and losses for the year	**(112.2)**	(35.4)

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

Reconciliation of consolidated shareholders' funds

Total recognised gains and losses		**(112.2)**	(35.4)
Transfer to shareholder		**-**	(159.6)
Total movements during the year		**(112.2)**	(195.0)
Shareholders' funds at 1 January		**362.5**	557.5
Shareholders' funds at 31 December	21	**250.3**	362.5

Group balance sheet
(at 31 December)

	Note	2001 £m	2000 £m
Intangible assets	9	**21.4**	15.8
Tangible assets	10	**232.6**	282.7
Investments	11	**677.9**	814.2
Fixed assets		**931.9**	1,112.7
Stocks	12	**33.8**	41.8
Debtors	13	**100.7**	126.9
Cash at bank and in hand		**227.4**	120.1
Current assets		**361.9**	288.8
Creditors – amounts falling due within one year			
Short term borrowings	14	**(188.9)**	(137.5)
Other creditors	14	**(54.3)**	(62.1)
Net current assets		**118.7**	89.2
Total assets less current liabilities		**1,050.6**	1,201.9
Creditors – amounts falling due after one year			
Long term borrowings	15	**(718.5)**	(748.8)
Other creditors	15	**(17.0)**	(24.2)
Provisions for liabilities and charges	18	**(35.2)**	(23.0)
Net assets		**279.9**	405.9
Represented by:			
Called up share capital	20	**10.0**	10.0
Profit and loss account	21	**240.3**	352.5
Total equity shareholders' funds		**250.3**	362.5
Minority interest		**29.6**	43.4
		279.9	405.9

The accounts were approved by the members of the Board on 13 March 2002 and were signed on their behalf by:

Lord Cairns Richard Laing
Chairman **Finance Director**

The accounting policies and notes on pages 21 to 41 form part of the accounts.

Group cash flow statement
(at 31 December)

	Note	2001 £m	2000 £m
Cash inflow from operating activities	22a	**64.7**	98.9
Dividends from associates and joint ventures		**3.2**	2.8
Returns on investments and servicing of finance	22b	**(5.8)**	(14.3)
Corporation tax paid		**(1.5)**	(19.3)
Capital expenditure and financial investment	22c	**(15.0)**	(21.4)
Acquisitions and disposals	22d	**29.1**	(6.2)
Cash inflow before use of liquid resources and financing		**74.7**	40.5
Management of liquid resources		**(112.7)**	(53.9)
Financing	22e	**34.3**	4.1
(Decrease) in cash in the year		**(3.7)**	(9.3)
Reconciliation of net cash flow to movement in net debt			
(Decrease) in cash in the year		**(3.7)**	(9.3)
Cash outflow from increase in liquid resources		**112.7**	53.9
Cash inflow from increase in net debt		**(32.1)**	(4.1)
Change in net debt resulting from cash flows		**76.9**	40.5
Loans and finance leases acquired with subsidiaries		**(2.7)**	(12.1)
Loans in disposed subsidiaries		**10.4**	5.9
Translation difference		**1.6**	(2.2)
Movement in net debt in the year		**86.2**	32.1
Net debt at start of year	22f	**(766.2)**	(798.3)
Net debt at end of year	22f	**(680.0)**	(766.2)

CDC Group plc

Company profit and loss account

for the year ended 31st December 2001

	2001 £m	2000 £m
Investment income	62.9	99.8
Income	62.9	99.8
Administration and distribution expenses	(43.5)	(43.9)
Other operating income	14.1	19.2
Operating profit	33.5	75.1
Profit or loss on sale of investments	4.9	7.0
Exceptional items	(0.5)	(12.6)
Interest receivable and similar income	8.4	4.0
Interest payable and similar charges	(0.5)	(0.5)
Investment and other provisions	(192.3)	(144.0)
Exchange gains and losses	(3.3)	1.6
Loss before taxation	(149.8)	(69.4)
Taxation (charge)/credit	(8.4)	2.9
Loss after taxation	(158.2)	(66.5)
Transfer to shareholder		
Transferred to reserves	(158.2)	(66.5)

Company balance sheet
(at 31 December)

	Note	2001 £m	2000 £m
Tangible assets	10	**26.1**	27.3
Investments	11	**741.9**	898.9
Fixed assets		**768.0**	926.2
Debtors	13	**33.7**	51.4
Cash at bank and in hand		**143.8**	83.4
Current assets		**177.5**	134.8
Creditors – amounts falling due within one year			
Short term borrowings	14	**(125.5)**	(82.5)
Other creditors	14	**(59.5)**	(29.1)
Net current (liabilities)/assets		**(7.5)**	23.2
Total assets less current liabilities		**760.5**	949.4
Creditors – amounts falling due after one year			
Long term borrowings	15	**(632.8)**	(675.7)
Other creditors	15	**(0.4)**	(0.6)
Provisions for liabilities and charges	18	**(34.5)**	(22.5)
Net assets		**92.8**	250.6
Represented by:			
Called up share capital	20	**10.0**	10.0
Profit and loss account	21	**82.8**	240.6
Shareholders' funds		**92.8**	250.6

The accounts were approved by the members of the Board on 13 March 2002 and were signed on their behalf by:

Lord Cairns
Chairman

Richard Laing
Finance Director

The accounting policies and notes on pages 21 to 41 form part of the accounts.

Accounting convention
These accounts have been prepared under the historical cost convention and in accordance with UK accounting standards.

Basis of consolidation
The group accounts consolidate the accounts of CDC Group plc and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Those investments where CDC holds between 20% and 50% and has active management involvement have been treated as associates and accounted for under the equity method of accounting. Where CDC owns below 50% and acts purely as a passive investor, the interests are accounted for as investments.

Joint ventures
Entities which are jointly controlled under a contractual agreement by the Group and one or more third parties are treated as joint ventures. These joint ventures are accounted for using the gross equity method of accounting.

Income recognition
Dividend income is recognised on a received basis. Interest income is recognised on an accruals basis. Where interest on loans is more than ninety days overdue, all interest is excluded.

Fees and commission income are either recognised as income when received or are apportioned over the life of the related transactions as they are deemed to be earned.

Provisions
Investment provisions are set in conjunction with review of investment valuations, as detailed on page 4. Specific provisions are maintained against those investments and current assets that, in the opinion of the Board, have an impairment in value.

Provisions for country risk are held against loan investments and are established on the portfolio based on a methodology that considers the business and economic conditions in a particular country, past credit losses and other relevant factors.

Foreign currencies
On consolidation, assets and liabilities of subsidiary undertakings are translated into sterling at closing exchange rates. The profit and loss account and the cash flow statement are translated at average exchange rates.

Exchange differences arising from the retranslation of net investments in subsidiary and associated undertakings and differences between profit and loss accounts translated at average rates and at closing rates are dealt with in reserves. Other equity investments are shown at original sterling cost. Exchange gains and losses arising in the normal course of trade are included in the profit and loss account.

Derivative financial instruments
CDC is a party to forward foreign exchange contracts in order to manage currency exposure on some foreign currency loans by determining the sterling value of future receipts of loan repayments and interest income. Discounts or premia on these contracts are included in income over the life of the contract. Foreign currency loans and the corresponding forward foreign exchange cover are included in the balance sheet at the year end rate.

Intangible assets
Intangible assets acquired separately from a business or as part of an acquisition of a business, are capitalised at cost. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of twenty years.

Goodwill
Goodwill is the excess of purchase consideration over the fair value of net assets acquired. It is capitalised and amortised over its estimated useful economic life, which is limited to the lower of the expected life of the investment or twenty years. All intangible assets are also reviewed for impairment on an annual basis and written down if circumstances indicate that the carrying value may not be recoverable.

Financial fixed assets
Loan and equity investments, together with interests in joint ventures and associated undertakings, are regarded as financial fixed assets as they are held for medium to long term investment purposes.

Tangible fixed assets
Fixed assets in use by the group are depreciated on a straight line basis over their estimated useful lives, with the exception of freehold land, which is not depreciated. The following useful lives apply:

Leasehold land and buildings	Tenure of lease
Other buildings	10-40 years
Other fixed assets	2-20 years

Finance costs are capitalised as permitted by FRS 15. The amount of interest capitalised in the year was £0.1m (2000: £0.2m). The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stocks
Stocks and stores are valued at the lower of cost and net realisable value.

Pensions
The cost of providing pensions is charged to the profit and loss account on a systematic basis over the expected average remaining service lives of current employees.

The group has implemented financial reporting standard No 17 (FRS 17), in so far as the standard requires disclosures in accordance with the transitional rules. These disclosures can be seen in note 25 to the accounts. Full implementation and inclusion within the primary statements is scheduled for the year ended 31 December 2003.

Deferred taxation
Deferred taxation is provided under the liability method on the timing differences arising from the difference between the accounting and tax treatment of depreciation and other items. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

Deferred tax is provided in full on the undistributed earnings of overseas subsidiaries.

1. Segmental analysis	CDC Assets £m	CDC Capital Partners £m	Total 2001 £m	Total 2000 £m
Turnover				
Africa	50.3	9.4	59.7	97.0
Latin America	49.6	76.2	125.8	100.4
Asia Pacific	1.9	34.4	36.3	47.7
South Asia	0.5	6.0	6.5	3.7
	102.3	126.0	228.3	248.8
Investment income				
Africa	14.4	5.1	19.5	30.0
Latin America	9.2	15.9	25.1	30.7
Asia Pacific	7.1	6.7	13.8	18.6
South Asia	13.7	1.6	15.3	21.7
	44.4	29.3	73.7	101.0
Total income				
Africa	64.7	14.5	79.2	127.0
Latin America	58.8	92.0	150.8	131.1
Asia Pacific	9.0	41.1	50.1	66.3
South Asia	14.2	7.7	21.9	25.4
	146.7	155.3	302.0	349.8
Profit/(loss) before interest and taxation				
Africa	(6.2)	(35.4)	(41.6)	(6.1)
Latin America	(6.1)	(34.4)	(40.5)	(22.8)
Asia Pacific	(6.5)	(30.5)	(37.0)	(24.8)
South Asia	22.9	(19.8)	3.1	21.4
	4.1	(120.1)	(116.0)	(32.3)
Interest receivable			9.4	5.9
Interest payable			(13.7)	(14.7)
Loss before taxation			(120.3)	(41.1)
Net assets				
Africa	139.5	103.4	242.9	287.3
Latin America	119.7	230.4	350.1	429.5
Asia Pacific	68.9	134.3	203.2	207.6
South Asia	123.1	74.4	197.5	264.9
	451.2	542.5	993.7	1,189.3
Net debt			(680.0)	(766.2)
Taxation and provisions for liabilities and charges			(33.8)	(17.2)
Net assets per balance sheet			279.9	405.9

2. Group operating profit	2001 £m	2001 £m	2000 £m	2000 £m
Turnover		**228.3**		248.8
Investment income		**73.7**		101.0
Income		**302.0**		349.8
Cost of sales		**(157.9)**		(162.3)
Gross profit		**144.1**		187.5
Administration and distribution expenses				
Auditors' remuneration – UK	**(0.2)**		(0.2)	
Auditors' remuneration – overseas	**(0.7)**		(0.6)	
Non-audit services – UK	**(0.3)**		(0.1)	
Non-audit services – overseas	**(0.2)**		(0.1)	
Depreciation of owned assets	**(45.5)**		(56.4)	
Depreciation of leased assets	**-**		(1.4)	
Write off and amortisation of goodwill and brands	**(5.8)**		(15.5)	
Other operating expenses	**(83.6)**		(87.5)	
	(136.3)			(161.8)
Other operating income		**6.4**		12.3
Group operating profit		**14.2**		38.0

3. Exceptional items	2001 £m	2000 £m
(Loss)/profit on disposal of tangible fixed assets	**(2.3)**	1.7
Costs of fundamental restructuring	**(0.8)**	(12.8)
Loss on closure of operations	**(0.2)**	(0.6)
	(3.3)	(11.7)

The effect on the tax charge for the year of the exceptional items is £0.3m (2000: £3.4m).

Fundamental restructuring costs incorporate costs of change on the repositioning of CDC Group plc within the market place. For 2000, these costs included the move from a debt to an equity based portfolio, staff redundancy costs and professional advisors' costs on the conversion from a Corporation to a plc and for 2001 the charge relates to redundancy costs. Of the payments to advisors, £nil (2000: £0.1m) was paid to the CDC Group plc auditors for non-audit services.

4. Staff costs	2001 £m	2000 £m
Wages and salaries	**34.5**	37.8
Social security costs	**2.1**	2.4
Other pension costs etc.	**0.6**	3.4
	37.2	43.6

The average monthly number of employees during the year was made up as follows:

London office	**172**	240
Overseas offices	**129**	190
Subsidiaries	**29,854**	39,422
	30,155	39,852

Details for each Director of remuneration, compensation for loss of office and pension entitlements are set out on pages 12 and 13.

Notes to the accounts (continued)

5. Interest payable and similar charges	2001 £m	2000 £m
Bank loans and overdrafts	11.3	10.1
Interest payable on other loans	1.9	3.4
Finance charges payable under finance leases	0.5	1.2
Group interest payable and similar charges	13.7	14.7

6. Tax on profit on ordinary activities The taxation charge is made up as follows:	2001 £m	2000 £m
United Kingdom corporation tax at 30.00% (2000: 30.00%)	0.6	(1.3)
Double taxation relief	-	0.4
	0.6	(0.9)
Overseas taxation	(0.5)	(2.1)
Adjustments relating to previous years	(4.9)	3.2
	(4.8)	0.2
Deferred taxation	(4.0)	1.1
	(8.8)	1.3
Associated undertakings' taxation	(0.4)	(1.3)
Tax charge for year	(9.2)	-

If full provision had been made for deferred tax for the year, the tax charge would have increased by £2.1m (2000: a reduction of £0.8m) as follows:

Capital allowances in advance of depreciation	(1.3)	(2.3)
Other timing differences	(0.8)	3.1
	(2.1)	0.8

7. Profit or loss attributable to members of the parent company

The loss attributable to the members of the parent company was £158.2m (2000: loss of £66.5m).

No profit and loss account is presented for the parent company as permitted by section 230 of the Companies Act 1985.

8. Earnings per share	2001	2000
Loss per share	(119.0p)	(42.6p)

The calculation of basic and diluted earnings per share is based on a loss of £119.0m, being the loss for the year, and on 100,000,000 ordinary shares.

9. Intangible fixed assets	Goodwill £m	Brands £m	Total £m
Cost			
At 1 January 2001	18.2	2.1	20.3
Acquisition of subsidiary undertakings (note 11)	4.5	3.4	7.9
Deferred consideration on Guyana Power & Light	3.5	-	3.5
Additions	-	0.7	0.7
Disposals	(4.9)	(0.8)	(5.7)
Exchange differences	-	(0.6)	(0.6)
At 31 December 2001	**21.3**	**4.8**	**26.1**
Amortisation			
At 1 January 2001	4.2	0.3	4.5
Provided during the year	4.9	0.9	5.8
Disposals	(4.9)	(0.8)	(5.7)
Exchange differences	-	0.1	0.1
At 31 December 2001	**4.2**	**0.5**	**4.7**
Net book value at 31 December 2001	**17.1**	**4.3**	**21.4**
Net book value at 1 January 2001	14.0	1.8	15.8

10. Tangible fixed assets	Land and buildings £m	Other fixed assets £m	Group Total £m	Land and buildings £m	Other fixed assets £m	Company Total £m
Cost						
At 1 January 2001	136.2	366.1	502.3	25.3	10.8	36.1
Additions	6.7	41.6	48.3	-	1.8	1.8
Acquisition of subsidiary undertakings	-	2.7	2.7	-	-	-
Disposal of subsidiary undertakings	(19.9)	(66.2)	(86.1)	-	-	-
Disposals	(2.6)	(20.3)	(22.9)	(0.3)	(1.1)	(1.4)
Transfers and write downs	0.2	(6.8)	(6.6)	-	-	-
Exchange differences	5.2	7.5	12.7	(0.2)	-	(0.2)
At 31 December 2001	**125.8**	**324.6**	**450.4**	**24.8**	**11.5**	**36.3**
Depreciation						
At 1 January 2001	35.3	184.3	219.6	2.1	6.7	8.8
Provided in the year	4.9	40.6	45.5	0.2	2.1	2.3
Disposals	(0.4)	(6.5)	(6.9)	-	(0.8)	(0.8)
Disposal of subsidiary undertakings	(5.9)	(31.2)	(37.1)	-	-	-
Transfers and write downs	0.2	(6.8)	(6.6)	-	-	-
Exchange differences	0.8	2.5	3.3	-	(0.1)	(0.1)
At 31 December 2001	**34.9**	**182.9**	**217.8**	**2.3**	**7.9**	**10.2**
Net book value at 31 December 2001	**90.9**	**141.7**	**232.6**	**22.5**	**3.6**	**26.1**
Net book value at 1 January 2001	100.9	181.8	282.7	23.2	4.1	27.3

Included in other fixed assets were £39.3m of capitalised plantation establishment costs (2000: £57.4m).

The net book value of land and buildings comprises:	Group 2001 £m	Group 2000 £m	Company 2001 £m	Company 2000 £m
Freehold	**35.1**	40.6	**2.0**	2.5
Long leasehold	**55.8**	60.3	**20.5**	20.7
Total	**90.9**	100.9	**22.5**	23.2

Included under other fixed assets were £0.2m (2000 – £17.2m) of assets held under finance leases and hire purchase contracts.

Notes to the accounts (continued)

11. Investments	2001 £m	Group 2000 £m
Associated undertakings	**31.1**	34.6
Other fixed asset investments	**646.8**	779.6
At 31 December 2001	**677.9**	814.2

Associated undertakings and joint ventures	Share of net assets £m	Loans £m	Total £m
At 1 January 2001	29.9	4.7	34.6
Additions	5.3	-	5.3
Disposals and repayments	(7.4)	(0.8)	(8.2)
Provisions charge	(0.4)	(1.3)	(1.7)
Share of profits net of tax	2.5	-	2.5
Dividends receivable	(0.8)	-	(0.8)
Exchange differences	(0.6)	-	(0.6)
At 31 December 2001	**28.5**	**2.6**	**31.1**

Other fixed asset investments	Listed equity £m	Unlisted equity £m	Loans £m	Total £m
Cost				
At 1 January 2001	91.1	368.2	613.4	1,072.7
Additions	13.2	62.1	49.3	124.6
Realisations and repayments	(27.8)	(9.0)	(101.4)	(138.2)
Investments made by disposed subsidiaries	(1.1)	-	-	(1.1)
Conversions	13.2	(19.9)	6.7	-
Write (downs)/backs	(2.0)	(0.8)	31.4	28.6
Exchange differences	0.3	0.3	9.3	9.9
At 31 December 2001	**86.9**	**400.9**	**608.7**	**1,096.5**
Provisions				
At 1 January 2001	41.9	84.2	167.0	293.1
Provided during the year	7.1	92.4	39.2	138.7
Realisations and repayments	(7.3)	(4.3)	-	(11.6)
Conversions	(0.2)	(0.3)	0.5	-
Write (downs)/backs	(2.0)	(0.8)	31.4	28.6
Exchange differences	0.2	-	0.7	0.9
At 31 December 2001	**39.7**	**171.2**	**238.8**	**449.7**
Net book value at 31 December 2001	**47.2**	**229.7**	**369.9**	**646.8**
Net book value at 1 January 2001	49.2	284.0	446.4	779.6

The market value of listed investments at 31 December 2001 was £81.5m (2000: £75.0m).

The amounts written back on loans relate to a policy amendment whereby only loans that are fully provided against, and that are judged to be wholly non recoverable, are written down. Of the amounts written back, 10% were repaid in the period.

Acquisitions

During the year, the group acquired the following companies which were accounted for as acquisitions:

	Country	Date	Consideration £m	Percentage acquired
Newinvest	South Africa	9th November 2001	-	56.82%
Medikredit	South Africa	9th November 2001	-	100% (via Newinvest)

11. Investments (continued)

	£m
The fair values of net liabilities acquired, which were not materially different from book values, were as follows:	
Intangible fixed assets	3.4
Tangible fixed assets	2.7
Current assets	5.3
Cash	0.4
Current liabilities	(10.8)
Long term liabilities	(7.5)
Total net liabilities	(6.5)
Minority interest	2.0
Net liabilities acquired	(4.5)
Cash consideration including deferred consideration	-
Goodwill	4.5

Disposals

On 26 April 2001, CDC disposed in full of its interest in the Pan African Cement group, which had contributed a loss of £0.7m to the 2001 CDC Group accounts in the period up to the date of disposal. The group profit on disposal of this undertaking was £14.7m. All goodwill arising on the original purchase had been charged through the profit and loss account prior to the disposal. The group also disposed of its tea subsidiaries in Africa in the year which had contributed profits of £0.7m to their dates of disposal mid-year.

Apart from the cash consideration received for these sales, the only material effect on the cash flow statement of these transactions was the disposal of £3.6m of cash and £3.9m of overdrafts.

	Cement £m	Tea £m	Total £m
Share of net assets at date of disposal	13.7	12.3	26.0
Cash consideration	28.4	9.4	37.8
Profit/(loss) on disposal	14.7	(2.9)	11.8

Other fixed asset investments	Subsidiary undertakings £m	Associated undertakings £m	Listed equity £m	Unlisted equity £m	Loans £m	Company Total £m
Cost						
At 1 January 2001	527.6	20.5	56.2	156.8	512.6	1,273.7
Additions	141.1	1.4	0.5	3.8	14.4	161.2
Realisations and repayments	(43.2)	(1.8)	(13.3)	(7.6)	(98.2)	(164.1)
Transfers and conversions	-	-	2.3	(9.3)	7.0	-
Write offs	(6.4)	-	(2.0)	-	34.9	26.5
Exchange differences	1.8	-	-	-	7.3	9.1
At 31 December 2001	**620.9**	**20.1**	**43.7**	**143.7**	**478.0**	**1306.4**
Provisions						
At 1 January 2001	145.8	6.7	30.3	57.3	134.7	374.8
Provided during the year	144.6	1.4	5.0	19.7	12.6	183.3
Realisations	(8.3)	-	(7.2)	(4.1)	-	(19.6)
Transfers and conversions	-	-	-	(0.5)	0.5	-
Write offs	(6.4)	-	(2.0)	-	34.9	26.5
Exchange differences	(1.1)	-	-	-	0.6	(0.5)
At 31 December 2001	**274.6**	**8.1**	**26.1**	**72.4**	**183.3**	**564.5**
Net book value at 31 December 2001	**346.3**	**12.0**	**17.6**	**71.3**	**294.7**	**741.9**
Net book value at 1 January 2001	381.8	13.8	25.9	99.5	377.9	898.9

Details of principal subsidiaries and associates are disclosed on page 41.

CDC Group issued a 0% £159.6m special debenture on 20 September 2000 effective from 31 August 2000. This special debenture was issued in accordance with Section 16(2) of the Commonwealth Development Corporation Act 1999. Under the terms of section 16(2) no consideration was received for the special debenture. The debenture was redeemed by the transfer of the economic interest in £159.6m of public sector loan assets.

11. Investments (continued)

Joint ventures and associated undertakings

On 1st July 2001, CDC Group plc entered into a joint venture with Norfund in Aureos Capital in which it holds 50% of the shares. At the year end the joint venture, which acquired majority holdings in nine fund management companies across the world from CDC Group plc, was immaterial to the group in all aspects. The unaudited loss of Aureos Capital for the period was £0.4m and the CDC share of turnover was £0.8m. The net assets at 31 December 2001 were £2.6m, consisting of £3.9m gross assets and £1.3m of liabilities.

CDC's share of other joint ventures and associated undertakings' turnover, and other relevant disclosures were as follows:

	Associated undertakings		Joint ventures			
			CGU - CDC China Capital Partners		CGU - CDC China Investment company	
	2001 £m	2000 £m	2001 £m	2000 £m	2001 £m	2000 £m
CDC share of turnover	25.0	37.7	**0.9**	0.2	**0.4**	0.2
Gross assets			**1.2**	0.7	**14.2**	7.6
Liabilities			**(0.4)**	(0.5)	**(0.1)**	(0.2)
Net assets			**0.8**	0.2	**14.1**	7.4
CDC share of net assets			**0.4**	0.1	**7.1**	3.7

12. Stocks	Group 2001 £m	2000 £m
Raw materials	**9.8**	12.6
Work in progress	**7.8**	7.5
Finished goods	**16.2**	21.7
	33.8	41.8

13. Debtors	Group 2001 £m	2000 £m	Company 2001 £m	2000 £m
Trade debtors	**70.0**	68.7	-	-
Amounts owed by group undertakings	-	-	**17.6**	14.4
Amounts owed by associated undertakings	**0.9**	0.3	**0.5**	0.2
Other debtors	**9.8**	19.4	**4.9**	7.5
Prepayments and accrued income	**18.6**	31.1	**9.3**	22.3
Taxation recoverable	**1.4**	7.4	**1.4**	7.0
	100.7	126.9	**33.7**	51.4
Amounts falling due after one year included above are:				
Other debtors	**2.0**	0.2	**0.1**	0.1
Prepayments and accrued income	**0.8**	5.2	-	5.0
	2.8	5.4	**0.1**	5.1

14. Creditors: amounts due within one year	Group 2001 £m	Group 2000 £m	Company 2001 £m	Company 2000 £m
Short term borrowings				
Loans from UK Government	**124.8**	81.9	**124.8**	81.9
Other loans	**37.0**	28.3	**-**	-
Total loans	**161.8**	110.2	**124.8**	81.9
Bank overdrafts	**24.4**	25.1	**0.7**	0.6
Obligations under finance leases and hire purchase contracts	**2.7**	2.2	**-**	-
	188.9	137.5	**125.5**	82.5
Other creditors				
Trade creditors	**18.0**	18.2	**0.2**	-
Amounts owed to group companies	**-**	-	**46.2**	10.2
Amount owed to associated undertakings	**1.4**	5.8	**-**	-
Corporation tax	**-**	1.9	**-**	0.9
Other taxes and social security	**0.8**	1.6	**0.3**	0.6
Other creditors	**15.7**	16.4	**0.5**	2.7
Accruals and deferred income	**18.4**	18.2	**12.3**	14.7
	54.3	62.1	**59.5**	29.1

15. Creditors: amounts falling due after more than one year	Group 2001 £m	Group 2000 £m	Company 2001 £m	Company 2000 £m
Long term borrowings				
Loans from UK Government	**630.2**	673.1	**630.2**	673.1
Other loans	**86.8**	72.3	**2.6**	2.6
Total loans due after one year (note 16)	**717.0**	745.4	**632.8**	675.7
Obligations under finance leases and hire purchase contracts	**1.5**	3.4	**-**	-
Total long term borrowings	**718.5**	748.8	**632.8**	675.7
Other creditors				
Accruals and deferred income	**3.0**	6.3	**0.2**	-
Other creditors	**14.0**	17.9	**0.2**	0.6
	17.0	24.2	**0.4**	0.6

16. Loans	Group 2001 £m	Group 2000 £m	Company 2001 £m	Company 2000 £m
Amounts falling due:				
In one year or less on demand	**161.8**	110.2	**124.8**	81.9
Between one and two years	**69.1**	56.8	**44.8**	43.0
Between two and five years	**175.8**	164.6	**135.3**	134.2
In more than five years (see page 30)	**472.1**	524.0	**452.7**	498.5
	878.8	855.6	**757.6**	757.6
Less: included in creditors: amounts falling due within one year	**(161.8)**	(110.2)	**(124.8)**	(81.9)
	717.0	745.4	**632.8**	675.7

Notes to the accounts (continued)

16. Loans (continued)

Details of loans not wholly repayable within five years are as follows:	Group **2001** **£m**	 2000 £m	Company **2001** **£m**	 2000 £m
Department for International Development (UK Government) 0%, payable in half-yearly instalments with final payment due 2023	**450.1**	495.9	**450.1**	495.9
European Investment Bank 0% unsecured debt with repayment linked to realisation of the underlying equity	**2.6**	2.6	**2.6**	2.6
European Investment Bank 3% secured by guarantee payable in half-yearly instalments with final payment due 2009	**11.0**	11.0	-	-
Basic Energy BVI 9% secured payable in half yearly instalments beginning in 2002 and ending in 2010	**3.1**	3.1	-	-
Republic Bank of Trinidad & National Bank of Industry & Commerce of Guyana 10% secured, payable in monthly instalments ending 2013	**3.6**	-	-	-
European Investment Bank 7.3% unsecured payable in half-yearly instalments with final payment due 2007	-	1.2	-	-
Solomon Islands Tree Debenture, secured by floating charge over trees with repayment dependent on dates of harvesting	-	2.2	-	-
Citibank 5.92% payable in half-yearly instalments with final payment due 2007	-	1.5	-	-
Independent state of Papua New Guinea, debenture secured by property over company and group payable in half-yearly instalments with final repayment due 2011		**1.2**	1.9	- -
Others	**0.5**	4.6	-	-
	472.1	524.0	**452.7**	498.5
Total loan due to Department for International Development				
Included in note 14 creditors due within one year	**124.8**	81.9	**124.8**	81.9
Included in note 15 creditors due after one year	**630.2**	673.1	**630.2**	673.1
	755.0	755.0	**755.0**	755.0

17. Obligations under finance leases and hire purchase contracts	**2001** **£m**	2000 £m
Amounts due under finance leases and hire purchase contracts (net of finance charges):		
Within one year	**2.7**	2.2
Within one to two years	**0.8**	3.4
Within two to five years	**0.7**	-
	4.2	5.6
Annual commitments under non-cancellable operating leases are as follows:		
Land and buildings operating leases which expire:		
Within one year	**0.3**	0.3
Within one to two years	**0.2**	0.1
In two to five years	**0.6**	-
In more than five years	**0.8**	0.1
	1.9	0.5
Other operating leases which expire:		
Within one year	**2.3**	0.2
Within one to two years	**0.1**	-
In two to five years	**1.0**	-
In more than five years	**0.1**	-
	3.5	0.2

18. Provisions for liabilities and charges

Group	Pensions £m	Deferred taxation £m	Other £m	Total £m
At 1 January 2001	0.6	22.4	-	23.0
Arising in the year	0.6	4.0	9.4	14.0
Utilised	(0.1)	(0.8)	(0.2)	(1.1)
Disposed subsidiary	(0.3)	(0.1)	-	(0.4)
Exchange differences	-	(0.3)	-	(0.3)
At 31 December 2001	**0.8**	**25.2**	**9.2**	**35.2**

Company	Pensions £m	Deferred taxation £m	Other £m	Total £m
At 1 January 2001	0.3	22.2	-	22.5
Arising in the year	0.2	4.0	9.2	13.4
Utilised	(0.2)	(1.2)	-	(1.4)
At 31 December 2001	**0.3**	**25.0**	**9.2**	**34.5**

Other provisions relate to guarantees given by CDC Group plc against subsidiaries and warranties given on disposals in the year.

Deferred taxation

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided		**Not provided**	
Group	**2001 £m**	2000 £m	**2001 £m**	2000 £m
Capital allowances in advance of depreciation	**(0.6)**	(0.1)	**1.3**	6.0
Other timing differences	**25.8**	22.5	**0.8**	5.3
	25.2	22.4	**2.1**	11.3

19. Derivatives and other financial instruments

An explanation of the group's objectives, policies and strategies for the role of derivatives and other financial instruments in managing the risks of the group can be found in the operating and financial review on page 6. The following information is provided in accordance with FRS 13 'Derivatives and Other Financial Instruments: Disclosures'. The disclosures below exclude short term debtors and creditors, except for the currency exposure table.

CDC's financial assets (as defined in FRS 13) comprise cash, short term deposits and loan investments. For the purposes of this note, the disclosure on financial assets has been split between cash and short term deposits, and the loan instruments in order to give more meaningful information. Financial liabilities are defined as overdrafts and loans. The benchmark rate for floating rate assets and liabilities is based on one week to six month LIBOR rates.

	Total £m	Floating rate £m	No interest* £m
2001 Financial assets: Cash and short term deposits			
Sterling	**106.7**	**106.4**	**0.3**
US dollars	**114.9**	**113.9**	**1.0**
Other currencies	**6.8**	**5.2**	**1.6**
Total	**228.4**	**225.5**	**2.9**
2000 Financial assets: Cash and short term deposits			
Sterling	71.7	71.6	0.1
US dollars	37.9	36.1	1.8
Other currencies	10.5	6.0	4.5
Total	120.1	113.7	6.4

*The weighted average period to maturity of no interest financial assets: cash and short term deposits is indefinite.

	Total £m	Floating rate £m	Fixed rate £m	No interest £m	Fixed rate assets weighted average rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
2001 Financial assets: Loan portfolio							
Sterling	**140.9**	**1.9**	**139.0**	**-**	**10.8**	**4.1**	**-**
US dollars	**439.0**	**87.2**	**333.6**	**18.2**	**11.4**	**4.3**	**4.7**
Other currencies	**34.5**	**2.3**	**6.3**	**25.9**	**9.6**	**4.4**	**4.3**
Total	**614.4**	**91.4**	**478.9**	**44.1**	**11.2**	**4.3**	**4.5**
2000 Financial assets: Loan portfolio							
Sterling	157.0	1.9	152.4	2.7	10.6	4.5	-
US dollars	432.6	11.8	405.7	15.1	11.0	5.3	6.5
Other currencies	33.9	4.6	11.1	18.2	10.5	5.5	5.6
Total	623.5	18.3	569.2	36.0	10.8	5.1	6.0

19. Derivatives and other financial instruments (continued)

	Total £m	Floating rate £m	Fixed rate £m	No interest £m	Fixed rate liabilities weighted average rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
2001 Financial liabilities							
Sterling	**778.7**	**-**	**21.1**	**757.6**	**3.6**	**8.0**	**23.0**
US dollars	**88.9**	**70.1**	**18.8**	**-**	**9.5**	**7.5**	**-**
Euros	**9.0**	**5.6**	**3.4**	**-**	**3.6**	**11.2**	**-**
Belize $	**12.5**	**10.9**	**1.6**	**-**	**11.5**	**1.6**	**-**
Other currencies	**18.3**	**4.1**	**9.6**	**4.6**	**8.7**	**5.3**	**3.0**
Total	**907.4**	**90.7**	**54.5**	**762.2**	**6.8**		
2000 Financial liabilities							
Sterling	784.7	-	26.6	758.1	3.6	8.9	24.0
US dollars	56.6	36.7	17.8	2.1	8.0	2.4	indefinite
Euros	7.8	7.8	-	-	-	-	-
Belize $	12.6	12.6	-	-	-	-	-
Other currencies	24.6	2.7	16.9	5.0	7.5	1.4	indefinite
Total	886.3	59.8	61.3	765.2	5.9		

Currency exposures

The table below shows the group's currency exposures that give rise to exchange gains and losses that are recognised in the profit and loss account. Such exposures comprise those monetary assets and liabilities of group companies that are not denominated in their functional currency, after taking into account the effect of forward foreign exchange contracts.

	Net foreign currency monetary assets/ (liabilities)				Net foreign currency monetary assets/ (liabilities)			
Functional Currency	**2001 Sterling £m**	**2001 Dollar £m**	**2001 Other £m**	**2001 Total £m**	2000 Sterling £m	2000 Dollar £m	2000 Other £m	2000 Total £m
Sterling	**-**	**(18.2)**	**(2.5)**	**(20.7)**	-	(41.8)	(3.0)	(44.8)
US dollars	**0.2**	**-**	**(39.4)**	**(39.2)**	(0.1)	-	(50.2)	(50.3)
	0.2	**(18.2)**	**(41.9)**	**(59.9)**	(0.1)	(41.8)	(53.2)	(95.1)

	2001 Total loan investments £m	2000 Total loan investments £m
Maturity profile of financial assets - loan portfolio		
Due within one year	**185.3**	155.4
Due within one to two years	**109.5**	102.1
Due within two to five years	**161.3**	229.9
Due after five years	**158.3**	136.1
	614.4	623.5

19. Derivatives and other financial instruments (continued)

	2001 Government loan £m	2001 Other financial liabilities £m	2001 Total financial liabilities £m	2000 Government loan £m	2000 Other financial liabilities £m	2000 Total financial liabilities £m
Maturity profile of financial liabilities excluding overdrafts						
Due within one year	**124.8**	**37.0**	**161.8**	81.9	28.3	110.2
Due within one to two years	**44.8**	**24.3**	**69.1**	43.0	13.9	56.9
Due within two to five years	**135.3**	**40.5**	**175.8**	134.2	30.3	164.5
Due after five years	**450.1**	**22.0**	**472.1**	495.9	28.1	524.0
	755.0	**123.8**	**878.8**	755.0	100.6	855.6

Borrowing facilities

The group's borrowing limit at 31 December 2001 in accordance with the Articles of Association was £2,000m.

Committed but undrawn borrowing facilities

	2001 £m	2000 £m
Expiring within one year	**97.1**	105.4
Expiring within one to two years	**1.6**	8.0
Expiring after two years	**-**	4.6
	98.7	118.0

Fair value of financial assets and liabilities

Financial assets

Quoted and unquoted equity investments are included in the balance sheet at net book value. The market value of quoted investments is disclosed in Note 11 and the fair value of equity on a portfolio basis is included in the summary statement of total return on page 2. Since no liquid market exists for the group's loans, it has not been possible to estimate a reliable fair value for them. There is no material difference between the fair value and book value of the group's cash and short term deposits.

Financial liabilities

The group's borrowings consist primarily of a Government loan repayable in instalments, with the final instalment falling due in 2023. A comparison by category of the fair values and book values of the group's financial liabilities at 31 December was as follows:

	Book value 2001 £m	Fair value 2001 £m	Book value 2000 £m	Fair value 2000 £m
Sterling	**(778.7)**	**(523.8)**	(784.7)	(500.1)
US dollars	**(88.9)**	**(91.3)**	(56.6)	(56.8)
Other currencies	**(39.8)**	**(39.9)**	(45.0)	(42.0)
Total	**(907.4)**	**(655.0)**	(886.3)	(598.9)

The fair value of the fixed rate borrowings has been calculated by discounting cash flows at prevailing market rates of interest.

Derivative financial instruments held to manage commodity sales price risk

	Book value 2001 £m	Fair value 2001 £m	Book value 2000 £m	Fair value 2000 £m
Forwards and options	**-**	**0.8**	-	-

The fair value of the commodity derivatives is calculated based on the market price available for the same contracts at the balance sheet date.

19. Derivatives and other financial instruments (continued)

Derivatives

CDC Group plc does not trade in derivatives. The activities of the group are currently limited to holding forward foreign exchange contracts ("FFECs") to hedge exposures. These FFECs have maturities designed to match the exposures they are hedging and the group holds them to maturity. Exchange gains and losses on the non-sterling loans are offset where appropriate with opposing gains or losses on applicable FFECs. As stated in the accounting policies, discounts and premia on the FFECs are included in income over the life of the contract with the amortised balance included within debtors or creditors. Unrealised gains and losses on FFECs which are attributed to future interest receivable are deferred until the transaction occurs.

The table below shows the fair value of unrealised FFECs when marked to market. This is split between the profits and losses relating to FFEC hedging activities that are recognised and unrecognised in the accounts.

	2001 £m	**Total unrecognised gains £m**	2000 £m	Total unrecognised gains £m
Recognised profit/(loss) on revaluation of FFECs	**(32.9)**		(28.5)	
Recognised premia/(discounts) on all FFEC contracts	**6.2**		10.6	
Recognised profits/(losses) relating to FFECs	**(26.7)**		(17.9)	
Unrecognised profit/(loss) on revaluation of FFECs at year end exchange rate	**(3.2)**	**(3.2)**	(6.3)	(6.3)
Unrecognised premia/(discounts) on all FFEC contracts	**(4.4)**	**(4.4)**	(3.1)	(3.1)
Total value to business of FFECs	**(34.3)**	**(7.6)**	(27.3)	(9.4)
Fair value to business at year end market rates	**(42.5)**		(21.7)	
(Loss)/gain on calculation of fair value attributable to interest rate differentials	**(8.2)**	**(8.2)**	5.6	5.6
Total unrecognised gains/(losses)		**(15.8)**		(3.8)

An analysis of unrecognised gains and losses on the FFECs is as follows:

	Unrecognised profit/(loss) on revaluation of FFECs at year end exchange rate £m	Unrecognised premia/(discounts) on all FFEC contracts £m	Gain on calculation of fair value attributable to interest rate differentials £m	Total £m
Gains and (losses) at 1 January 2001	(6.3)	(3.1)	5.6	(3.8)
Gains and (losses) recognised in 2001	2.5	(1.3)	-	1.2
Revaluation of gain/(loss)	0.6	-	(13.8)	(13.2)
Gains/(losses) at 31 December 2001	**(3.2)**	**(4.4)**	**(8.2)**	**(15.8)**
of which				
Profits/(losses) expected to be included in 2002 income	(1.3)	(0.4)	(2.3)	(4.0)
Profits/(losses) expected to be included in 2003 income or later	(1.9)	(4.0)	(5.9)	(11.8)
	(3.2)	(4.4)	(8.2)	(15.8)

Notes to the accounts (continued)

20. Share capital	2001 £m	2000 £m
Authorised ordinary shares		
100,000,000 ordinary shares of 10p each	**10.0**	10.0
Allotted, called up and fully paid ordinary shares		
100,000,000 ordinary shares of 10p each	**10.0**	10.0

Special preference share

One special preference share of £1 is authorised, issued and fully paid. The ownership of the special preference share is restricted to the agents of the Crown. It has special rights to restrict changes to the company's memorandum and articles of association, and changes to the company's capital structure. The share otherwise carries no voting rights and no rights to share in the capital or profits of CDC.

21. Reconciliation of movements in shareholders' funds	Group Share capital £m	Group P&L reserves £m	Group Total reserves £m	Company Share capital £m	Company P&L reserves £m	Company Total reserves £m
At 1 January 2001	10.0	352.5	362.5	10.0	240.6	250.6
Loss for the year	-	(119.0)	(119.0)	-	(158.2)	(158.2)
Exchange gains	-	6.8	6.8	-	0.4	0.4
At 31 December 2001	**10.0**	**240.3**	**250.3**	**10.0**	**82.8**	**92.8**

22. Notes to the statement of cash flows	2001 £m	2000 £m
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Group operating profit	**14.2**	38.0
Less: dividends from associated undertakings	**(3.2)**	-
Depreciation	**45.5**	57.8
Amortisation and write off of goodwill and other intangibles	**5.8**	15.5
(Increase) in stocks	**(1.8)**	(8.7)
Decrease/(increase) in debtors	**32.0**	(5.6)
(Decrease)/increase in creditors and provisions	**(7.4)**	19.8
Fundamental restructuring	**(6.5)**	(5.3)
Closure of business segment	**(0.2)**	(0.6)
Exchange and other movements	**(13.7)**	(12.0)
Net cash inflow from operating activities	**64.7**	98.9
(b) Returns on investments and servicing of finance		
Interest received	**10.4**	4.6
Interest paid	**(14.5)**	(17.4)
Dividends paid to minority interests	**(1.7)**	(1.5)
Net cash (outflow) from returns on investments and servicing of finance	**(5.8)**	(14.3)

22. Notes to the statement of cash flows (continued)	2001 £m	2000 £m
(c) Capital expenditure and financial investment		
Loan redemptions	**102.2**	177.4
Proceeds from equity realisations	**42.3**	44.3
Payments to acquire fixed assets	**(45.3)**	(39.6)
Payments to acquire intangible fixed assets	**(0.7)**	-
Proceeds from disposal of fixed assets	**10.8**	5.6
New loan and equity investments	**(124.3)**	(209.1)
Net cash (outflow) from capital expenditure and financial investment	**(15.0)**	(21.4)
(d) Acquisitions and disposals		
Purchase of subsidiary undertakings	**-**	(4.0)
Cash acquired in subsidiaries	**0.4**	0.1
Purchase of interest in joint venture	**(5.3)**	(3.9)
Sale of subsidiary undertakings	**37.5**	6.2
Deferred consideration on PT Harapan acquisition	**-**	(0.6)
Deferred consideration on Guyana Power & Light	**(3.5)**	(4.0)
Net cash inflow/(outflow) from acquisitions and disposals	**29.1**	(6.2)
(e) Financing		
Issue of share capital to minority interest	**2.5**	-
Redemption of shares by minority interest	**(0.3)**	-
Capital element of finance lease payments	**(1.5)**	-
Debt due within one year:		
Increase in short term borrowings	**12.9**	14.3
Repayment of short term borrowings	**(11.3)**	(20.4)
Debt due after one year:		
Increase in long term borrowings	**35.6**	19.1
Repayment of long term borrowings	**(3.6)**	(8.9)
Net cash inflow from financing	**34.3**	4.1

	At 31 Dec 2000 £m	Cash flow £m	Acquisitions £m	Disposals £m	Other movements £m	Exchange £m	At 31 Dec 2001 £m
(f) Analysis of net debt							
Cash at bank and in hand	120.1	108.3				(1.0)	**227.4**
Less liquid resources	(96.6)	(112.7)				1.0	**(208.3)**
Overdrafts	(25.1)	0.7				-	**(24.4)**
Cash per group cash flow statement	(1.6)	(3.7)	-	-	-	-	**(5.3)**
Liquid resources	96.6	112.7	-	-	-	(1.0)	**208.3**
Debt due within one year excluding overdrafts	(112.4)	(2.1)	-	1.9	(52.3)	0.4	**(164.5)**
Debt due after one year	(748.8)	(30.0)	(2.7)	8.5	52.3	2.2	**(718.5)**
Net debt	(766.2)	76.9	(2.7)	10.4	-	1.6	**(680.0)**

23. Capital commitments

Amounts contracted for but not provided in the accounts amounted to £259.8m (2000: £221.3m) for subscriptions to debentures, loans and shares, including commitments of £26.2m (2000: £30.3m) to subsidiaries, and £nil (2000: £29.6m) to joint ventures.

Subsidiaries had capital commitments of £2.5m (2000: £0.3m).

24. Contingent liabilities
The company has guaranteed the performance of contracts by certain subsidiaries to the extent of £49.8m (2000: £40.1m) and of other companies to the extent of £91.3m (2000: £73.0m).

25. Pension commitments
The company operates one funded pension scheme in the UK, called the CDC Pensions Scheme. This provides benefits on a defined benefit basis for staff who entered service prior to 1 April 2000. Subsequent entrants are eligible for membership of a separate, defined contribution section of the scheme. In accordance with statutory requirements, membership of the scheme is voluntary. The pension scheme is funded by the payment of contributions to a separately administered trust fund.

An actuarial valuation of the scheme was carried out at 31 March 2001 by independent consulting actuaries, using the projected unit method. The next periodical valuation of the scheme is due as at 31 March 2004.

The results of the most recent valuation are as follows:

Main assumptions	**% per annum**
Rate of return of investments	5.8
Salary increases	4.5
Pension increases	
Pre 1 May 1996 joiners (for pension accrued before 1 April 2000)	5.0
Pre May 1996 joiners (for pension accrued after 31 March 2000) and post 30 April 1996 joiners	2.5
Rate of price inflation	2.5

	£m
Market value of scheme's assets	205.0

The value of the scheme's assets was calculated to be 125% of the amount needed to cover the benefits that had accrued to scheme members, after allowing for expected future salary increases and expected future pension increases. Acting on the advice of the actuary, the company ceased contributing to the scheme in respect of the members of the defined benefit section of the scheme, with effect from 1 January 2001.

Statement of Standard Accounting Practice Number 24 'Accounting for Pension Costs' requires that the costs of providing pensions are recognised over the period benefiting from the employees' services, with any difference between the charge to the profit and loss account and the contributions paid to the scheme being shown as an asset or liability in the balance sheet. The pension cost has been assessed in accordance with the advice of qualified independent actuaries using the projected unit method. Variations in cost have been spread over the estimated average remaining working lifetime of the members of the defined benefit section of the scheme. The total pension cost in respect of the defined contribution section of the scheme was £0.2m (2000 - £1.6m) and no contributions were paid to the scheme in respect of the members of the defined benefit section of the scheme during 2001. There is a pension prepayment due in over one year in the balance sheet of £nil (2000-£nil).

The disclosures required under the transitional arrangements within FRS 17 'Retirement Benefits' have been calculated by qualified independent actuaries based on the most recent full actuarial valuation at 31 March 2001 updated to 31 December 2001. The financial assumptions used at 31 December 2001 were:

	% per annum
Discount rate	5.75
Salary increases	4.5
Pension increases	
Pre 1 May 1996 joiners (for pension accrued before 1 April 2000)	5.0
Pre 1 May 1996 joiners (for pension accrued after 31 March 2000) and post 30 April 1996 joiners	2.5
Rate of price inflation	2.5

25. Pension commitments (continued)

The assets in the scheme and the expected rates of return at 31 December 2001 are:

	Expected rate of return % per annum	Market value £m
Equities	7.90	122.0
Bonds	5.46	58.4
Other	6.26	12.0
		192.4

The following amounts at 31 December 2001 were measured in accordance with the requirements of FRS 17:

	£m
Total market value of scheme's assets	192.4
Present value of the scheme's liabilities	165.2
Surplus in the scheme	27.2
Related deferred tax liability	8.2
Net pension asset	19.0

If the above amounts had been recognised in the accounts, the group's net assets and profit and loss account reserve at 31 December 2001 would be as follows:

	£m
Net assets excluding pension asset	279.9
Pension asset	19.0
Net assets including pension asset	298.9
Profit and loss account reserve excluding pension asset	240.3
Pension reserve	19.0
Profit and loss account reserve	259.3

26. Related party transactions

The Department for International Development (DFID) is the company's sponsoring Government department and provides funding in the form of interest free loans. It is the ultimate controlling party. Details of the loans and the amounts due are disclosed in notes 14, 15 and 16.

In August 2000, the company issued a special debenture of £159.6m to DFID, which was repaid in September 2000. The details of this transaction are shown in note 11. CDC continues to monitor and administer the assets applied in redemption of the special debenture, for which it receives a reimbursement of costs. Cost reimbursement of £5.1m was received during 2001 (2000: £2.1m).

The Government of Guyana owns 50% of the shares in Guyana Power & Light Inc (GPL), a subsidiary of CDC Group plc. Transactions between the Government of Guyana and GPL were:

- A revenue subsidy of £4.2m provided to GPL to subsidise consumer electricity. The subsidy was reduced to £nil on 30 September 2001.
- Electricity usage fees of £0.8m paid by GPL to Guyana Electricity Corporation (owned by the Government of Guyana). Usage fees were charged at a commercial rate.

Transactions with associated undertakings

During the year, CDC Group plc received the following amounts from associated undertakings:

	Dividends £m	Management fees £m
Mhlume (Swaziland) Sugar Co, Ltd	1.4	-
Inyoni Yami, Swaziland, Irrigation scheme	0.2	0.3
St Lucia Electricity Services Ltd	1.5	0.2

The following amounts were outstanding from associated undertakings and joint ventures at 31 December 2001:

	Loan £m	Debtors £m
St Lucia Electricity Services Ltd	0.8	0.2
Ayojana Fund Pvt Ltd	1.8	-
CGU-CDC China Capital Partners Ltd	-	0.1
Aureos Capital Limited	-	0.1

27. Principal subsidiaries and associates

The principal subsidiary and associated undertakings of the group at 31 December 2001 and the group percentage of equity capital are set out below. Those held directly by the company are marked with an asterisk. A complete list of investments in subsidiary and associated undertakings and joint ventures will be attached to the parent company's annual return made to the Registrar of Companies.

Region/Country of incorporation and operation	Company	Class of share	Percentage held by CDC	Principal activities
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ASSOCIATES AND JOINT VENTURES				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Country of incorporation and operation	Company	Class of share	Percentage held by CDC	Principal activities
SUBSIDIARIES				
AFRICA				
Cote D'Ivoire	Compagnie Heveicole de Cavally SA	Ordinary	100	Rubber cultivation and processing
Kenya	Nairobi Business Park (formerly Ngong Racecourse Properties)	Ordinary	63	Property and hotels
Kenya	The Junction (formerly Hornbeam Investments Ltd)	Ordinary	100	Property and hotels
Kenya	Sulmac Flowers Ltd	Ordinary	71	Horticulture
Mauritius	CDC Financial Services (Mauritius) Ltd	Ordinary	100	Investment holding
		Preference	100	
Mauritius	CDC Haina (Mauritius) Ltd	Ordinary	100	Investment holding
Mauritius	CDC Agribusiness Management	Ordinary	100	Investment holding
Mauritius	GP Mauritius (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	100	Investment holding
Mauritius	MPB Holdings Ltd (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	100	Investment holding
Mauritius	Pacific Rim Palm Oil Limited (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	100	Investment holding
Mauritius	Pan African Holdings Limited	Ordinary	100	Investment holding
Mauritius	Pan African Sugar (invested by Pan African Holdings Limited)	Ordinary	100	Investment holding
Mauritius	CDC Pulp and Paper (Mauritius) Holding Company Ltd	Ordinary 'A'	100	Investment holding
South Africa	Healthnet (Pty) Ltd (invested by Medikredit Integrated Healthcare Solutions)	Ordinary	100	Healthcare claims processing
South Africa	Medikredit Integrated Healthcare Solutions (invested by Newinvest 215)	Ordinary	100	Healthcare claims processing
South Africa	Medikredit (SA) (Pty) Ltd (invested by Medikredit Integrated Healthcare Solutions)	Ordinary	100	Dormant
South Africa	Newinvest 215 (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	57	Investment holding
South Africa	Performance Health (Pty) Ltd (invested by Medikredit Integrated Healthcare Solutions)	Ordinary	100	Healthcare value added claims processing
South Africa	Superscripts (Pty) Ltd (invested by Medikredit Integrated Healthcare Solutions)	Ordinary	100	Practice management systems
Swaziland	Nhlangano Timber Company (Pty) Ltd (invested by Shiselweni Forestry Company Ltd)	Ordinary	100	Eucalyptus pine plantation
Swaziland	Sawco Mining Timber Company Ltd (invested by Shiselweni Forestry Company Ltd)	Ordinary	100	Timber production
Swaziland	Shiselweni Forestry Company Ltd	Ordinary	100	Eucalyptus pine plantation
		Ordinary 'A'	100	
		Ordinary 'B'	100	
Tanzania	Freshfields Investments Ltd (invested by Pan African Holdings Ltd)	Ordinary	100	Investment holding
Tanzania	Kibena Tea Limited (invested by Freshfields Investments Ltd)	Ordinary	100	Tea cultivation
Tanzania	Kilombero Valley Teak Company Ltd	Ordinary 'A'	100	Teak development
		Ordinary 'B'	100	
Tanzania	New Tanin International (invested by Pan African Holdings Ltd)	Ordinary	100	Investment holding
Tanzania	Tanganyika Wattle Company Ltd	Ordinary	100	Tanning extract and timber production, tea cultivation
		Ordinary 'B'	100	
Uganda	Rwenzori Courts Ltd	Ordinary	74	Office block development
Zambia	Mpongwe Development Company Ltd	Ordinary	89	Coffee and arable cultivation and production
Zambia	Mpongwe Milling Ltd (invested by Mpongwe Development Company Ltd)	Ordinary	100	Wheat milling
Zambia	Munkumpu Farms Limited (invested by Mpongwe Development Company Ltd)	Ordinary	100	Arable farming
Zambia	York Farms Ltd	Ordinary 'A'	48	Horticulture
		Ordinary 'B'	51	
Zimbabwe	Bakerton Farming Pvt Ltd (invested by Lake Harvest Aquaculture (Pvt) Ltd)	Ordinary	100	Fish farming
Zimbabwe	Comafin Management (Pvt) Ltd	Ordinary	100	Fund management
Zimbabwe	Freshnet Fisheries Pvt Ltd (invested by Lake Harvest Aquaculture (Pvt) Ltd)	Ordinary	100	Dormant
Zimbabwe	Lake Harvest Aquaculture (Pvt) Ltd	Ordinary	71	Fish farming and processing
Zimbabwe	Prestige Investments (Private) Ltd (invested by MPB Holdings Ltd)	Ordinary	100	Investment holding
AMERICAS				
Barbados	Capital Partner Caribbean Ltd	Ordinary	100	Fund management
Barbados	CDC Airport Investment (Barbados) Ltd (held by CDC Holdings (Barbados) Ltd)	Ordinary	100	Investment holding
Barbados	CDC (Euro) Ltd	Ordinary	100	Investment holding
Barbados	CDC Holdings (Barbados) Ltd	Ordinary	100	Investment holding
Barbados??	CDC Global Power Ltd	Ordinary	100	Investment holding
Belize	Del Oro Belize (invested by CDC Holdings (Barbados) Ltd)	Ordinary	89	Citrus cultivation
Belize	Barton Creek Farms Ltd (invested by Del Oro Belize)	Ordinary	100	Citrus cultivation
Belize	Belize Food Products (invested by Del Oro Belize)	Ordinary	100	Citrus cultivation
Belize	Citrus Company of Belize Ltd (invested by Del Oro Belize)	Ordinary 'A'	97	Citrus cultivation
Belize	XYZ Belize (invested by Citrus Company of Belize)	Ordinary	52	Citrus cultivation
Belize	Valley Manufacture (invested by Citrus Company of Belize)	Ordinary	100	Citrus packaging/ distribution
Belize	Big Falls Plantations Ltd	Ordinary	65	Citrus cultivation
British Virgin Islands	CDC Haina Ltd	Ordinary	100	Investment holding
British Virgin Islands	Caribbean Capital Holdings Inc (invested by CDC Holdings (Barbados) Ltd)	Ordinary	96	Investment holding
British Virgin Islands	Tradewinds Investments Holdings Corp	Ordinary 'A'	100	Investment holding
		Ordinary 'B'	100	Investment holding
Canada	CDC Airport Investment (Canada) Ltd (held by CDC Airport Investment (Barbados) Ltd)	Ordinary	100	Investment holding
Costa Rica	Central America Investment Managers Ltd	Ordinary	100	Fund management
Costa Rica	Del Oro SA	Ordinary	87	Citrus cultivation
Costa Rica	Inversiones Guanaranja SA	Ordinary	100	Citrus cultivation
Costa Rica	Terrapez SA (held by Caribbean Capital Holdings Inc)	Ordinary	100	Aquaculture
Costa Rica	RFA Inc (held by Caribbean Capital Holdings Inc)	Ordinary	100	Aquaculture
Cuba	Caribbean Finance Investments Ltd	Ordinary	60	Development finance
Cuba	CDC Equipment Leasing Ltd	Ordinary	100	Leasing finance
Dominica	Dominica Electricity Services Ltd	Ordinary	72	Electricity generation, transmission and distribution
Guyana	Americas and Caribbean Power Ltd (invested by CDC Holdings (Barbados) Ltd)	Ordinary	80	Investment holding
Guyana	Guyana Housing and Development Company Ltd	Ordinary	100	Mortgage finance
Guyana	Guyana Mortgage Finance Company Ltd	Ordinary	100	Mortgage finance
Guyana	Guyana Power & Light Inc (invested by Americas and Caribbean Power Ltd)	Ordinary	50	Power generation
Jamaica	West Indies Development Corporation Ltd	Ordinary	100	Investment holding
		Preference	100	
Netherlands Antilles	CDC Capital Partners Netherlands Antilles NV	Ordinary	100	Investment holding
EAST ASIA & PACIFIC				
Fiji	Fiji Development Company Ltd	Ordinary	100	Investment holding
Indonesia	PT Asiatic Persada (invested by Pacific Rim Palm Oil Limited)	Ordinary	51	Oil Palm cultivation and processing
Indonesia	PT Ayu Sawit Lestari (invested by PT Harapan Sawit Lestari)	Ordinary	100	Oil Palm cultivation and processing
Indonesia	PT Harapan Sawit Lestari	Ordinary	25	Oil Palm cultivation and processing
Indonesia	PT Harapan Sawit Lestari (invested by Pacific Rim Palm Oil Limited)	Ordinary	40	Oil Palm cultivation and processing
Indonesia	PT Jammer Tuilen (invested by PT Asiatic Persada)	Ordinary	100	Oil Palm plantation
Indonesia	PT Maju Perkasa Sawit (invested by PT Asiatic Persada)	Ordinary	100	Oil Palm plantation
Indonesia	PT Pacific Rim Management Services (invested by Pacific Rim Palm Oil Limited)	Ordinary	99	Investment management
Indonesia	PT Pacific Rim Management Services	Ordinary	1	Investment management
Malaysia	CDC (Sabah) Sdn Bhd (invested by CDC Holdings Sdn Bhd)	Ordinary	100	Investment holding
Malaysia	CDC (West Malaysia) Sdn Bhd	Ordinary	100	Investment holding
Malaysia	CDC Holdings Sdn Bhd	Ordinary	100	Investment holding
Malaysia	Kulai Oil Palm Estate Sdn Bhd	Ordinary	100	Investment holding
Papua New Guinea	Consolidated Plantations of New Ireland (invested by Poliamba)	Ordinary	81	Oil Palm cultivation and processing
Papua New Guinea	Kamsco Ltd (invested by Poliamba)	Ordinary	81	Oil Palm cultivation and processing

Country of incorporation and operation	Company	Class of share	Percentage held by CDC	Principal activities
SUBSIDIARIES				
Papua New Guinea	MacGregor Property Ltd	Ordinary	78	Commercial development
Papua New Guinea	Milne Bay Estates (invested by Pacific Rim Plantations Ltd)	Ordinary	100	Oil Palm cultivation and processing
Papua New Guinea	Pacific Rim Plantations Ltd (invested by Pacific Rim Palm Oil Limited)	Ordinary	76	Oil Palm cultivation and processing
Papua New Guinea	PNG Home Finance Company Ltd	Ordinary	100	Mortgage finance
Papua New Guinea	PNG Venture Fund Company Ltd	Ordinary	100	Private equity fund
Papua New Guinea	Poliamba (invested by Pacific Rim Plantations Ltd)	Ordinary	81	Oil Palm cultivation and processing
Singapore	Pacific Rim Palm Oil PTE Ltd (invested by Pacific Rim Palm Oil Limited)	Ordinary	100	Investment management
Solomon Islands	Kolombangara Forest Products Ltd	Ordinary 'A' Ordinary 'B'	51 87	* Tropical hardwood timber production
Solomon Islands	Solomon Islands Plantations Ltd	Ordinary	68	Oil Palm cultivation and processing
SOUTH ASIA				
India	CDC Advisors Private Ltd	Ordinary	5	Advisory company
India	CDC Advisors Private Ltd (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	95	Advisory company
India	International Venture Capital Management Ltd (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary	100	Fund management
Mauritius and India	Nandi Investments Ltd (invested by CDC Financial Services (Mauritius) Ltd)	Ordinary Preference	100 100	Private equity fund
EUROPE				
Luxemburg	Lake Harvest International SA (invested by Lake Harvest Aquaculture (Pvt) Ltd)	Ordinary	100	Fish marketing
United Kingdom	CDC Haina UK	Ordinary	100	Investment holding
United Kingdom	CDC Asset Management	Ordinary	100	Dormant
United Kingdom	CDC Capital Partners	Ordinary	100	Dormant
United Kingdom	CDC Emerging Markets	Ordinary	100	Dormant
United Kingdom	CDC Equity Partners	Ordinary	100	Dormant
United Kingdom	CDC Funds Management	Ordinary	100	Dormant
United Kingdom	CDC Ltd	Ordinary	100	Dormant
United Kingdom	CDC Overseas Holdings	Ordinary	100	Dormant
United Kingdom	CDC Venture Capital Ltd	Ordinary	100	Dormant
ASSOCIATES				
AFRICA				
Mauritius	Aureos Capital Limited	Ordinary	50	Fund Management
Mauritius	CGU China Capital Partners (invested by CDC Financial Services (Mauritius) Limited)	Ordinary	50	Fund Management
Mauritius	CGU China Investment Company (invested by CDC Financial Services (Mauritius) Limited)	Ordinary	50	Private equity fund
Swaziland	Inyoni Yami Swaziland Irrigation Scheme	Ordinary	50	Irrigated sugar cane and citrus, ranching
AMERICAS				
Belize	Top Juice	Ordinary	33	Citrus cuiltivation
Belize	Hummingbird Citrus Ltd	Ordinary	28	Citrus cultivation
British Virgin Islands	Newcrest Trading Ltd (invested by CDC Financial Services (Mauritius) Limited)	Ordinary	50	Investment holding
Costa Rica	Aquacorporacion Internacional SA	Ordinary	21	Fish farming and processing
St Lucia	St Lucia Electricity Services Ltd	Ordinary	45	* Electricity generation, transmision and distribution
SOUTH ASIA				
Sri Lanka	Ayojana Fund Pvt Ltd	Ordinary	50	Private equity fund
Sri Lanka	NDB Venture Investments (Pvt) Ltd	Ordinary 'B'	25	Private equity fund

** Represents voting shares*
^ Denotes equity investments listed overseas

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