

DOUGHTY HANSON & CO V LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2010



Registered in England No 06003237

Doughty Hanson & Co V Limited

Annual Report and Financial Statements for the year ended 31 December 2010

Contents

	<u>Page</u>
Directors' Report	3 – 5
Independent Auditors' Report	6
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10 - 16

Doughty Hanson & Co V Limited

Directors' Report

The Directors present their Report to the member together with the audited financial statements for the year ended 31 December 2010

Business review

The principal activity of the Company is and will continue to be, to act as General Partner of the two Limited Partnerships forming Doughty Hanson & Co V (the 'Fund')

Despite the challenges presented by the current financial and economic outlook the Directors expect the performance of the Company and the Fund that it operates to remain resilient. Doughty Hanson & Co's annual review, published in March 2011 and available via the global web site, outlines activities throughout the portfolio of investments and again emphasises the focus on developing long-term sustainable businesses and assets.

Given the nature of the business the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The results for the year are set out in the profit and loss account on page 7. The Directors do not recommend the payment of a dividend for the year (2009: £nil).

Liability insurance

The Company has professional indemnity insurance in place in respect of the duties of the Directors and Officers.

Directors

The Directors of the Company who served during the period were as follows:

	Appointed	Resigned
N E Doughty	20 November 2006	-
R P Hanson	20 November 2006	-
M Lever	20 November 2006	1 July 2010
S C Marquardt	28 February 2008	-
R Lund	1 July 2010	-
G Stening	1 July 2010	-

Doughty Hanson & Co V Limited

Directors' Report (continued)

Principal risks and uncertainties

The Company's operations expose it to a variety of risks, the most significant are considered to be exchange risk, legal and regulatory risk and operational risk

Exchange risk

Exchange risk arises due to currency differences between the income and expense base. The level of this risk has been considered to fall within acceptable parameters to date, but the Company continues to review its exchange rate management policy to ensure they are appropriate.

Legal and regulatory risk

The Company operates in the UK. The regulatory environment is becoming more complex and demanding and in response to this the Company has maintained its arrangements for regulatory compliance through the retention of recognised professional advisers who advise on the compliance function. Regular internal compliance reviews are undertaken and recommendations are approved and implemented by the Board where appropriate.

Operational risk

This includes personnel risk, IT risk, and business disruption. These risks are mitigated by the recruitment and retention of suitably qualified staff with remuneration set at an appropriate level, use of appropriate Directors and Officers insurance and business continuity provisions.

Independent Auditors

PricewaterhouseCoopers LLP have been appointed as the auditors of the Company. In accordance with Section 485 of the Companies Act 2006, a resolution for their appointment will be proposed at the forthcoming Annual General Meeting.

Doughty Hanson & Co V Limited

Directors' Report (continued)

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



R. Lund
Director
26 April 2011

Registered Office
45 Pall Mall
London
SW1Y 5JG

Doughty Hanson & Co V Limited

Independent Auditors' Report to the member of Doughty Hanson & Co V Limited

We have audited the financial statements of Doughty Hanson & Co V Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit and cash flows for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

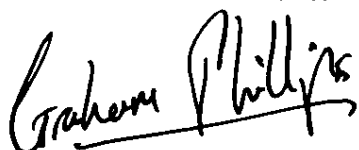
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graham Phillips (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2011

Doughty Hanson & Co V Limited
Registered in England No. 06003237

Profit and Loss Account

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover - continuing operations			
Income from Limited Partnerships	2	38,993	41,487
Administrative expenses		<u>(29,262)</u>	<u>(31,123)</u>
Operating profit - continuing operations		9,731	10,364
Interest receivable and similar income		<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	3	9,731	10,364
Taxation	6	<u>(1,008)</u>	<u>(6,493)</u>
Profit for the financial year	13	<u>8,723</u>	<u>3,871</u>

The Company has no recognised gains and losses other than that shown above and therefore no separate statement of recognised gains and losses has been prepared

There is no difference between either profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 10 to 16 form an integral part of these financial statements

Doughty Hanson & Co V Limited

Registered in England No. 06003237

Balance Sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	7	<u>7</u>	<u>7</u>
Current assets			
Debtors	8	58,057	46,568
Cash at bank and in hand		<u>-</u>	<u>-</u>
		58,057	46,568
Creditors amounts falling due within one year	9	(22,110)	(20,351)
Net current assets		<u>35,947</u>	<u>26,217</u>
Total assets less current liabilities		35,954	26,224
Provisions for liabilities and charges	10	(28,961)	(27,953)
Net assets / (liabilities)		<u>6,993</u>	<u>(1,729)</u>
Capital and reserves			
Called-up share capital	11	-	-
Profit and loss account	13	<u>6,993</u>	<u>(1,729)</u>
Total shareholder's funds / (deficit)	14	<u>6,993</u>	<u>(1,729)</u>

The notes on pages 10 to 16 form an integral part of these financial statements

The financial statements on pages 7 to 16 were approved by the board of Directors on 26 April 2011 and were signed on its behalf by



R Lund
Director

Doughty Hanson & Co V Limited
Registered in England No. 06003237

Cash Flow Statement

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Net cash inflow from continuing operating activities	15	-	-
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		—	—
Net cash inflow from investments and servicing of finance		—	—
Taxation			
Corporation tax refunded		-	-
Corporation tax paid		—	—
		—	—
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		-	-
Payments to acquire fixed asset investments		-	-
Receipts from disposals of fixed assets		—	—
Net cash inflow from investing activities		—	—
Equity dividends paid			
UK dividends paid		—	—
Net cash inflow before use of liquid resources and financing		-	-
Management of liquid resources			
Movement in short term deposits		—	—
Financing			
Movement in borrowings		—	—
		—	—
Movement in net cash	16	—	—

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Accounting Standards. The principal accounting policies which have been applied consistently are set out below.

The headings and formats adopted in the profit and loss account have been adapted from those specified in the Companies Act 2006 as, in the opinion of the Directors, those adopted more appropriately reflect the nature of the Company's business.

Fixed asset investments

Investments are valued at cost less provision, if appropriate, for impairment.

Limited Partnerships and Investments

As at 31 December 2010, the Company managed two private equity Limited Partnerships in which it has a small participating interest and for which it acts as the General Partner. Investments held through the Limited Partnerships are made with the express intention of capital appreciation.

Through the investments in the Limited Partnerships, the investee companies held by the Limited Partnerships could be considered technically to be subsidiaries. However, investments held by the Fund are not included in the Company financial statements since there are severe long term restrictions over the rights of the General Partner in relation to the Limited Partnerships.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities recognised have not been discounted.

Income recognition

Partnership income is recognised as earned in accordance with the Limited Partnership Agreements from the date of signing the individual Limited Partnership Agreements.

Preferential drawings

Preferential drawings received are taxed when sufficient income and capital receipts are earned in the underlying Limited Partnerships of which the Company acts as General Partner. This timing difference gives rise to a deferred tax liability.

Deferred income

Preferential drawings received from the Limited Partnerships prior to the period to which they relate are accounted for as deferred income.

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling on the date of transaction. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

2 Turnover

Income from Limited Partnerships represents preferential drawings from the two Limited Partnerships constituting Doughty Hanson & Co V.

	2010 £'000	2009 £'000
Income from Limited Partnerships	<u>38,993</u>	<u>41,487</u>

3 Profit on ordinary activities before taxation is stated after charging:

	2010 £'000	2009 £'000
Remuneration of the auditors		
Statutory audit	16	15
Taxation advisory fees	2	2
Management fee charged by Doughty Hanson & Co Managers Limited	29,194	31,089

4 Employee information

There were no employees of the Company during the year (2009 – nil). Services are provided to the Company by Doughty Hanson & Co Managers Limited, a fellow subsidiary.

5 Directors' emoluments

	2010 £'000	2009 £'000
Directors' emoluments (excluding pension contributions)	77	73
Pension contributions	<u>3</u>	<u>3</u>
	<u>80</u>	<u>76</u>

As at 31 December 2010 retirement benefits are accruing under defined contribution schemes for 3 Directors (2009 – 2 Directors).

The emoluments of the Directors are paid by the parent company or a fellow subsidiary which makes no recharge to the Company. The Directors are also directors of the parent company and/or a number of fellow subsidiaries and for disclosure purposes an apportionment of Directors' emoluments is made to the Company based on services provided.

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

6 Taxation

	2010 £'000	2009 £'000
Current tax		
UK Corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax (note 10)		
Unutilised losses carried forward	(8,580)	(9,261)
Short term timing differences	11,766	12,163
Effect of foreign exchange movements	(1,381)	4,124
Effect of change in tax rate	(797)	-
Adjustments in respect of prior years	-	(533)
Total deferred tax	<u>1,008</u>	<u>6,493</u>
Tax on profit on ordinary activities	<u>1,008</u>	<u>6,493</u>

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 28% (2009 – 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	<u>9,731</u>	<u>10,364</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 28% (2009 – 28%)	2,725	2,902
Unutilised losses carried forward	8,580	9,261
Group relief surrendered	461	-
Short term timing differences	(11,766)	(12,163)
Permanent differences	-	-
Current tax charge for the period	<u>-</u>	<u>-</u>

During the year, as a result of the change in the UK main corporation tax rate from 28% to 27% that was substantively enacted on 20 July 2010 and effective from 1 April 2011 the relevant deferred tax balances have been re-measured at a rate of 27.25%

The UK Budget that was announced on 23 March 2011 and was substantively enacted on 29 March 2011, includes a reduction in main rate of corporation tax from 28% to 26% from 1 April 2011 which is in addition to the decrease to 27% enacted in July 2010. Further decreases are expected in future finance bills. These changes had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements. It is not possible to estimate the impact of the effects of the changes in the tax rate due to future uncertainty.

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

7 Fixed asset investments

	2010 £'000	2009 £'000
Investments	<u>7</u>	<u>7</u>

Investments represents a holding in M&C Guernsey Limited the Special Limited Partner in Doughty Hanson & Co V

The Company has three wholly owned subsidiaries which act as nominees for the two Limited Partnerships constituting Doughty Hanson & Co V These subsidiaries are as follows

Doughty Hanson & Co V Nominees One Limited, a company incorporated in England
Doughty Hanson & Co V Nominees Two Limited, a company incorporated in England
Doughty Hanson & Co V Nominees 1G Limited a company incorporated in England

The above nominee companies hold, as nominee, interests in a number of companies for the beneficial ownership of the Limited Partnerships of Doughty Hanson & Co V together with the co-investment vehicles (collectively 'Fund V')

Investments held by Fund V are not included in the Company financial statements since there are severe long term restrictions over the rights of the General Partner in relation to the Limited Partnerships

8 Debtors

	2010 £'000	2009 £'000
Amounts owed by fellow subsidiary undertakings	57,747	46,186
Amounts owed by related undertaking	310	379
Other debtors	<u>-</u>	<u>3</u>
	<u>58,057</u>	<u>46,568</u>

Amounts due from fellow subsidiary undertakings are repayable on demand and are interest free

9 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	2	63
Accruals and deferred income	<u>22,108</u>	<u>20,288</u>
	<u>22,110</u>	<u>20,351</u>

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

10 Provisions for liabilities and charges

	2010 £'000	2009 £'000
Deferred tax		
Opening balance	27,953	21,460
Profit and loss account	<u>1,008</u>	<u>6,493</u>
Balance at 31 December	<u>28,961</u>	<u>27,953</u>

Deferred tax provided in the financial statements is as follows

	2010 £'000	2009 £'000
Unutilised losses carried forward	(17,882)	(9,794)
Short term timing differences	<u>46,843</u>	<u>37,747</u>
	<u>28,961</u>	<u>27,953</u>

11 Share capital

	2010 £	2009 £
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and issued		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

12 Ultimate parent company

The ultimate parent company is DHC Limited registered in the Cayman Islands which trades from 45 Pall Mall, London SW1Y 5JG. The controlling parties are Nigel Doughty and Richard Hanson. DHC Limited and all of its subsidiary companies, other than overseas operating companies, are subject to UK Corporation Tax. Overseas operating subsidiaries are subject to taxation in Germany, USA, Sweden and Italy. The controlling parties are UK domiciled and therefore subject to UK taxation.

13 Profit and loss account

	2010 £'000	2009 £'000
Opening profit and loss account	(1,729)	(5,600)
Profit for the financial year	<u>8,723</u>	<u>3,871</u>
Closing profit and loss account	<u>6,993</u>	<u>(1,729)</u>

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

14 Reconciliation of movements in shareholder's funds

	2010 £'000	2009 £'000
Opening shareholder's funds	(1,729)	(5,600)
Profit for the financial year	<u>8,723</u>	<u>3,871</u>
Closing shareholder's funds	<u>6,993</u>	<u>(1,729)</u>

15 Reconciliation of operating profit to net cash inflow from operating activities

	2010 £'000	2009 £'000
Operating profit	9,731	10,364
Increase in debtors	(11,490)	(19,878)
Increase in creditors' accruals and deferred income	<u>1,759</u>	<u>9,514</u>
Net cash inflow from operating activities	<u>—</u>	<u>—</u>

16 Reconciliation to net cash

	2010 £'000	2009 £'000
Net cash at start of period	-	-
Movement in net cash	<u>—</u>	<u>—</u>
Net cash at 31 December	<u>—</u>	<u>—</u>

17 Reconciliation of movement in net cash

	At 1 January 2010 £'000	Cash Flow £'000	At 31 December 2010 £'000
Cash at bank and in hand	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>

Doughty Hanson & Co V Limited

Notes to the financial statements for the year ended 31 December 2010

18 Related Parties

The Company is the General Partner in the two Limited Partnerships constituting Doughty Hanson & Co V (the "Fund"). This entitles the Company to a share of income and capital distributions made in accordance with the Limited Partnership agreements. During the period, the Company received £38,993,238 by way of preferential drawings (2009: £41,487,117).

The Company settles expenses on behalf of the Fund and recharges these to the Fund. During the year £2,776,788 (2009: £2,394,464) has been recharged in relation to such expenses. At 31 December 2010 £309,644 (2009: £378,996) was due from the Fund.

A management fee of £29,193,854 (2009: £31,088,868) is payable by the Company to Doughty Hanson & Co Managers Limited in respect of the provision of investment management services relating to the Fund. This balance is not specifically settled and becomes part of the ongoing intercompany trading balance between the two group entities on which no interest is payable. At 31 December 2010 a balance of £57,746,626 (2009: £46,186,029) is due from Doughty Hanson & Co Managers Limited.