

DOUGHTY HANSON & CO V LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2012



Registered in England and Wales No 06003237

Doughty Hanson & Co V Limited

Annual Report and Financial Statements for the year ended 31 December 2012

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Doughty Hanson & Co V Limited

Directors' Report

The Directors present their Annual Report to the member together with the audited consolidated Financial Statements for the year ended 31 December 2012

Business review

The principle activity of the Parent Company Doughty Hanson & Co V Limited is, and will continue to be to act as General Partner of the two Limited Partnerships forming Doughty Hanson & Co V (the "Fund") The principal activity of Doughty Hanson & Co V Bridgeco Limited a subsidiary undertaking consolidated in these Financial Statements is to provide bridging finance for use in investments The principal activity of DHC (DLP) Limited, a subsidiary undertaking consolidated in these Financial Statements is to be the Designated Limited Partner in both Doughty Hanson & Co V LP No 2 and Doughty Hanson & Co Technology II LP

Despite the challenges presented by the current financial and economic outlook the Directors expect the performance of the Company and the Group and the Fund that it operates to remain resilient Doughty Hanson & Co's annual review, published in April 2013 and available via www.doughtyhanson.com 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 consolidated 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 (2011 £nil)

Liability Insurance

The Group has professional indemnity insurance in the form of a qualifying third party indemnity provision in place in respect of the duties of the Directors and Officers

Directors

The Directors who served during the year were as follows

N E Doughty	(Deceased 4 February 2012)
R P Hanson	
S C Marquardt	
R N Lund	
G D Stening	

Doughty Hanson & Co V Limited

Directors' Report (continued)

Principal risks and uncertainties

The Group's operations expose it to a variety of risks. The most significant are considered to be financial risk, legal and regulatory risk and operational risk.

Financial risk

The significant financial risks are cash flow risk and exchange risk. Cash flow risk occurs due to the unmatched timings of income and expenses. These timings are also subject to change. This risk is mitigated through the use of both long term and short term cash flow modelling which are used to identify where cash flow issues may occur. Strong relationships are maintained with banks in case cash flow can not be managed internally in the Group headed by DIIC Limited.

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 Group continues to review its exchange rate management policy to ensure it is appropriate.

Legal and regulatory risk

The Group operates in the UK. The regulatory environment is becoming more complex and demanding and in response to this the Group 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.

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 the Group and of the profit or loss of the Group 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 and the Group 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group 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 N Lund
Director
17 April 2013

Registered Office
45 Pall Mall
London
SW1Y 5IG

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 ("the Financial Statements") for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account the Consolidated and Parent Company Balance Sheets the Consolidated 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 Group and Parent 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2012 and of the Group's 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

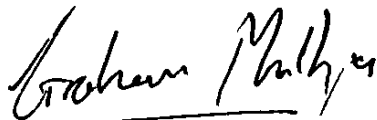
Opinion on other matter prescribed by the Companies Act 2006

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 Parent Company 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
17 April 2013

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

Consolidated Profit and Loss Account

For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Continuing Operations			
Turnover			
Income from Limited Partnerships	2	31,024	45,452
Administrative expenses		<u>(23,306)</u>	<u>(34,131)</u>
Operating profit		7,718	11,321
Interest payable and similar charges	6	(83)	(417)
Interest receivable and similar income		83	417
Profit on disposal of fixed asset investments		<u>1</u>	<u>1</u>
Profit on ordinary activities before taxation	3	7,719	11,322
Taxation	7	<u>(3,674)</u>	<u>(1,600)</u>
Profit for the financial year	14	<u><u>4,045</u></u>	<u><u>9,722</u></u>

The Group 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

In accordance with the exemption allowed by section 408 of the Companies Act 2006 The Parent Company has not prepared its own Profit and Loss account

Of the profit for the financial year, a profit of £4,044 (2011 £9,721) is dealt with in the Financial Statements of the Company

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

Consolidated Balance Sheet as at December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	8	<u>20</u>	<u>18</u>
Current assets			
Debtors	9	55,093	64,304
Cash at bank and in hand		<u>-</u>	<u>-</u>
		55,093	64,304
Creditors amounts falling due within one year	10	<u>(118)</u>	<u>(17,047)</u>
Net current assets		<u>54,975</u>	<u>47,257</u>
Total assets less current liabilities		54,995	47,276
Provisions for liabilities and charges	11	<u>(34,235)</u>	<u>(30,561)</u>
Net assets		<u><u>20,760</u></u>	<u><u>16,715</u></u>
Capital and reserves			
Called-up share capital	12	-	-
Profit and loss account	14	<u>20,760</u>	<u>16,715</u>
Total shareholder's funds	15	<u><u>20,760</u></u>	<u><u>16,715</u></u>

The Financial Statements on pages 7 to 19 were approved by the board of Directors on 17 April 2013 and were signed on its behalf by



R N Lund
Director

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

Company Balance Sheet as at December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	8	<u>7</u>	<u>7</u>
Current assets			
Debtors	9	55,093	64,304
Cash at bank and in hand		<u>-</u>	<u>-</u>
		55,093	64,304
Creditors amounts falling due within one year	10	<u>(107)</u>	<u>(17,036)</u>
Net current assets		<u>54,986</u>	<u>47,268</u>
Total assets less current liabilities		54,993	47,275
Provisions for liabilities and charges	11	<u>(34,235)</u>	<u>(30,561)</u>
Net assets		<u><u>20,758</u></u>	<u><u>16,714</u></u>
Capital and reserves			
Called-up share capital	12	-	-
Profit and loss account	14	<u>20,758</u>	<u>16,714</u>
Total shareholder's funds	15	<u><u>20,758</u></u>	<u><u>16,714</u></u>

The Financial Statements on pages 7 to 19 were approved by the board of Directors on 17 April 2013 and were signed on its behalf by



R N Lund
Director

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

Consolidated Cash Flow Statement

For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Net cash inflow from continuing operations	16	-	-
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		-	-
Net cash inflow before management of liquid resources		-	-
Management of liquid resources			
Movement in short term deposits		-	-
Financing			
Movement in borrowings		-	-
		-	-
Movement in net cash	17	-	-

There are no cash movements in relation to the arrangement of bridging finance, all interest payments are made by Doughty Hanson & Co V (see note 1) All other payments are made by a fellow subsidiary undertaking and settled via an intercompany payable All other receipts are also received by a fellow subsidiary undertaking and settled via an intercompany receivable

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

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 business.

Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Parent Company and of its subsidiary undertakings, Doughty Hanson & Co V Bridgeco Limited, and DHC (DLP) Limited. The consolidation is prepared using the acquisition method of accounting.

Fixed asset investments

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

Limited Partnerships and Investments

As at 31 December 2012, the Parent 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 Group 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 is measured at the enacted tax rate for the year ended 31 December 2013. This is due to uncertainty over when timing differences will reverse. 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 Parent Company acts as General Partner. This timing difference gives rise to a deferred tax liability.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

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.

Deferred income

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

Loans

The principal activity of Doughty Hanson & Co V Bridgeco Limited, a subsidiary undertaking consolidated in these Financial Statements, is to arrange and provide bridging finance for use in investments undertaken by Doughty Hanson & Co V (the "Fund"). Where the purpose of the loan is to cover a timing difference between funding needed and drawdown from Limited Partners of the Fund, the liability is presented in the Financial Statements of Doughty Hanson & Co V, in accordance with FRS 5 'Reporting the substance of transactions'. Where the loan is used for another purpose within Doughty Hanson & Co V the liability and corresponding debtor from Doughty Hanson & Co V is recognised on the Company's balance sheet. On all loans relating to bridging finance taken out by Doughty Hanson & Co V, interest receivable is presented as turnover and interest payable is presented as administrative expenses.

2 Turnover

All turnover, relating to the Parent Company, is generated in the UK through management of alternative investment funds.

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

	2012 £'000	2011 £'000
Income from Limited Partnerships	<u>31,024</u>	<u>45,452</u>

Turnover, relating to Doughty Hanson & Co V Bridgeco Limited, is reported as interest receivable on bridging finance used in investments undertaken by the Funds administered by the Doughty Hanson & Co Group.

3 Profit on ordinary activities before taxation is stated after charging

	2012 £'000	2011 £'000
Services provided by the Company's auditor		
Fees payable for the audit of the Parent Company and Consolidated Financial Statements	18	16
Fees payable for other services - tax advisory	(1)	3
Management fee charged by Doughty Hanson & Co Managers Limited	23,155	33,965

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

4 Employee information

There were no employees of the Group during the year (2011: nil). Services are provided to the Group by Doughty Hanson & Co Managers Limited, a fellow subsidiary.

5 Directors' emoluments

	2012 £'000	2011 £'000
Directors' emoluments (excluding pension contributions)	61	76
Pension contributions	<u>2</u>	<u>3</u>
	<u>63</u>	<u>79</u>

As at 31 December 2012 retirement benefits are accruing under defined contribution schemes for 2 Directors (2011: 3 Directors).

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

6 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest on arrangement of bridging finance	<u>83</u>	<u>417</u>

During the year, loans were outstanding relating to Avanza, Vue, ASCO and Norit, portfolio companies in the Doughty Hanson & Co V Limited Partnerships. The loans in relation to Avanza, Vue and ASCO were reflected in the Balance Sheets of the Doughty Hanson & Co V Limited Partnerships as they were drawn down to cover a timing difference between funding need and drawdown from Limited Partners. The loan in relation to Norit was also reflected in the Balance Sheets of the Doughty Hanson & Co V Limited Partnerships as it was drawn down to cover a timing difference between a distribution to Limited Partners and a cash receipt.

All loans are secured by the undrawn commitments of the Doughty Hanson & Co V Limited Partnerships. Furthermore the Doughty Hanson & Co V Limited Partnerships act as a principal guarantor to the bank under a Guarantee and Indemnity agreement.

7 Taxation

	2012 £'000	2011 £'000
Current tax		
UK Corporation tax	-	-
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

7 Taxation (continued)

	2012 £'000	2011 £'000
Deferred tax (note 10)		
Short term timing differences	4,522	(7,193)
Effect of foreign exchange movements	(431)	1,347
Effect of change in tax rate	(2,749)	(2,310)
Brought forward losses utilised	-	10,193
Adjustment in respect of prior years	<u>2,332</u>	<u>(437)</u>
Total deferred tax	<u>3,674</u>	<u>1,600</u>
Tax on profit on ordinary activities	<u>3,674</u>	<u>1,600</u>

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 24.5% (2011 26.5%). The differences are explained below

Profit on ordinary activities before tax	<u>7,719</u>	<u>11,321</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 24.5% (2011 26.5%)	1,891	3,000
Unutilised losses carried forward		
Group relief surrendered	2,631	-
Short term timing differences	(4,522)	7,193
Brought forward losses utilised	<u>-</u>	<u>(10,193)</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

The standard rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 24.5%.

The UK Finance Bill 2012, which was substantively enacted on 17 July 2012, includes a reduction in main rate of corporation tax from 24% to 23% from 1 April 2013. Therefore the relevant deferred tax balances have been re-measured at a rate of 23.25%, being the effective rate for the year ended 31 December 2013.

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the Autumn 2012 and March 2013 UK Budget Statements. Further reductions to the main rate are proposed to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These reductions are expected to be enacted in 2013. The overall effect of these changes, if this applied to the deferred tax balance at the balance sheet date, assuming there were no changes to the deferred tax balance over the following three years, would be to reduce the deferred tax liability by £4,785,641 (being £2,576,884 recognised in 2013, £1,840,631 recognised in 2014 and £368,126 recognised in 2015).

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

8 Fixed asset investments

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Investments in Limited Partnerships	13	11	-	-
Other Investments	7	7	7	7
	<u>20</u>	<u>18</u>	<u>7</u>	<u>7</u>

Investments in Limited Partnerships relate to capital and loan account contributions to Doughty Hanson & Co V LP No 2 and Doughty Hanson & Co Technology II LP through DHC (DLP) Limited, a subsidiary undertaking, which is the Designated Limited Partner to both Funds

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

The Parent Company has three wholly owned subsidiaries which act as nominees for the two Limited Partnerships constituting Doughty Hanson & Co V. The Parent Company owned 100% of the following subsidiaries during the year. These subsidiaries are not consolidated as they are considered immaterial. These subsidiaries are as follows:

Doughty Hanson & Co V Nominees One Limited, a company incorporated in England and Wales
Doughty Hanson & Co V Nominees Two Limited, a company incorporated in England and Wales
Doughty Hanson & Co V Nominees IG Limited, a company incorporated in England and Wales

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

9 Debtors

	Company & Group 2012 £'000	Company & Group 2011 £'000
Amounts owed by fellow subsidiary undertakings	54,822	62,460
Amounts owed by related undertaking	<u>271</u>	<u>1,844</u>
	<u>55,093</u>	<u>64,304</u>

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

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

10 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Trade creditors	31	96	31	96
Accruals and deferred income	76	16,937	76	16,937
Other creditors	-	3	-	3
Amount due to fellow subsidiary undertakings	11	11	-	-
	<u>118</u>	<u>17,047</u>	<u>107</u>	<u>17,036</u>

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

11 Provisions for liabilities and charges

	Company & Group 2012 £'000	Company & Group 2011 £'000
Deferred tax		
Opening balance	30,561	28,961
Profit and loss account	<u>3,674</u>	<u>1,600</u>
Balance at 31 December	<u><u>34,235</u></u>	<u><u>30,561</u></u>

Deferred tax provided in the Financial Statements is as follows

	Company & Group 2012 £'000	Company & Group 2011 £'000
Unutilised losses carried forward	(4,491)	(7,273)
Short term timing differences	<u>38,726</u>	<u>37,834</u>
	<u><u>34,235</u></u>	<u><u>30,561</u></u>

12 Share capital

	Company 2012 £	Company 2011 £
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><u>100</u></u>	<u><u>100</u></u>

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

13 Ultimate parent company

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

14 Profit and loss account

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Opening profit and loss account	16,715	6,993	16,714	6,993
Profit for the financial year	<u>4,045</u>	<u>9,722</u>	<u>4,044</u>	<u>9,721</u>
	<u><u>20,760</u></u>	<u><u>16,715</u></u>	<u><u>20,758</u></u>	<u><u>16,714</u></u>

15 Reconciliation of movements in shareholder's funds

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Opening shareholder's funds	16,715	6,993	16,714	6,993
Profit for the financial year	<u>4,045</u>	<u>-</u>	<u>4,044</u>	<u>9,721</u>
Closing shareholder's funds	<u><u>20,760</u></u>	<u><u>6,993</u></u>	<u><u>20,758</u></u>	<u><u>16,714</u></u>

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

	2012	2011
	£'000	£'000
Operating profit	7,718	11,321
Decrease / (Increase) in debtors	9,211	(6,247)
(Decrease) in creditors, accruals and deferred income	<u>(16,929)</u>	<u>(5,074)</u>
Net cash inflow from operating activities	<u><u>-</u></u>	<u><u>-</u></u>

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

17 Reconciliation to net cash

	2012 £'000	2011 £'000
Net cash at start of period	-	-
Movement in net cash	-	-
Net cash at 31 December	-	-

18 Reconciliation of movement in net cash

	At 1 January 2012 £'000	Cash Flow £'000	At 31 December 2012 £'000
Cash at bank and in hand	-	-	-
	-	-	-

19 Related Parties

The Parent 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 Group received £31,024,457 by way of preferential drawings (2011 £45,452,374)

The Parent Company settles expenses on behalf of the Fund and recharges these to the Fund During the year £6,604,087 (2011 £5,370,052) has been recharged in relation to such expenses At 31 December 2011 £271,354 (2011 £1,844,101) was due from the Fund

A management fee of £23,155,119 (2011 £33,965,139) is payable by the Parent 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 2012 a balance of £54,822,645 (2011 £62,459,907) is due from Doughty Hanson & Co Managers Limited

The principal activity of Doughty Hanson & Co V Bridgeco Limited, a subsidiary undertaking is to arrange and provide bridging finance for use in investments undertaken by the Funds administered by the Doughty Hanson & Co Group Doughty Hanson & Co V Bridgeco Limited takes out loans in respect of Doughty Hanson & Co V These are guaranteed and repaid by Doughty Hanson & Co V Doughty Hanson & Co V Bridgeco Limited received no fees for its services in the year (2011 £nil) Interest payable of £82,794 (2011 £416,685) in relation to these loans was receivable in full from Doughty Hanson & Co V

DHC (DLP) Limited, a subsidiary undertaking is the Designated Limited Partner in the Doughty Hanson & Co V Limited Partnerships DHC (DLP) Limited has commitments to participate in Doughty Hanson & Co V During the year £1,995 (2011 £996) has been contributed to Doughty Hanson & Co V As at 31 December 2012 £nil (2011 £nil) is due to Doughty Hanson & Co V As at 31 December 2012 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co V of up to £1 834 (2011 £3 051)

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2012

19 Related Parties (continued)

DHC (DLP) Limited is entitled to a share of income and capital distributions made from Doughty Hanson & Co V in accordance with the Limited Partnership Agreement. During the year, the DHC (DLP) Limited received £2,064 by the way of distributions (2011: £1,036).

DHC (DLP) Limited is the Designated Limited Partner in Doughty Hanson & Co Technology II LP. DHC (DLP) Limited has commitments to participate in Doughty Hanson & Co Technology II LP. During the year £740 (2011: £1,921) has been contributed to Doughty Hanson & Co Technology II. As at 31 December 2012 £nil (2011: £nil) is due to Doughty Hanson & Co Technology II LP. As at 31 December 2012 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co Technology II LP of up to £1,437 (2011: £2,242).

DHC (DLP) Limited is entitled to a share of income and capital distributions made from Doughty Hanson & Co Technology II in accordance with the Limited Partnership Agreement. During the year, DHC (DLP) Limited received £77 by the way of distributions (2011: £nil).

DHC (DLP) Limited's investments and expenses in relation to its role as Designated Limited Partner are funded by the respective General Partner of each fund. As at 31 December 2011 £7,084 (2011: £6,421) is due to DHCT II Limited. These balances are interest free and repayable on demand.