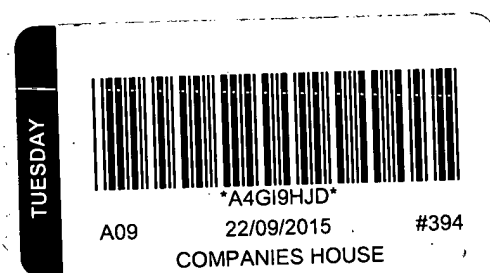


# **DOUGHTY HANSON & CO V LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 DECEMBER 2014**



# **Doughty Hanson & Co V Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2014**

### **Contents**

	<u>Pages</u>
Strategic Report	3 - 4
Directors' Report	5 - 6
Independent Auditors' Report	7 - 8
Consolidated Profit and Loss Account	9
Consolidated Balance Sheet	10
Parent Company Balance Sheet	11
Consolidated Cash Flow Statement	12
Note to the Financial Statements	13 - 21

# Doughty Hanson & Co V Limited

## Strategic Report

### 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 made by the Fund. 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 March 2015 and available via [www.doughtyhanson.com](http://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.

### Performance and position

The consolidated results for the year are set out in the profit and loss account on page 9. The Group's profit for the financial year is £5,298,632 (2013: £37,248,704). The decrease in profitability in 2014 versus the prior year is primarily due to a large corporation tax credit calculated for 2013. Preferential drawings are calculated on total commitments within a Fund's investment period and on a measure of invested capital thereafter. Contrary to the prior year, there was no transaction fee income offset against preferential drawings in 2014. Therefore turnover has increased.

No dividend was paid or proposed.

The Group's net assets at 31 December 2014 are £63,306,197 (2013: £58,008,907). The Directors are satisfied with the position of the Group.

### Principal risks and uncertainties

The Company'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 within the DHC Limited Group.

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.

# **Doughty Hanson & Co V Limited**

## **Strategic Report (continued)**

### **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.

By order of the Board:

A handwritten signature in black ink, appearing to be 'R. N. Lund', with a long, wavy horizontal line extending to the right.

R. N. Lund  
Director  
7 April 2015

Registered Office:  
45 Pall Mall  
London  
SW1Y 5JG

# **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 2014.

### **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:

R. P. Hanson  
S. C. Marquardt  
R. N. Lund  
G. D. Stening

# Doughty Hanson & Co V Limited

## Directors' Report (continued)

### Statement of Directors' Responsibilities

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 Group and Parent Company 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 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  
7 April 2015

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**

### **Report on the Financial Statements**

#### **Our opinion**

In our opinion, Doughty Hanson & Co V Limited's Group Financial Statements and Parent Company Financial Statements (the "Financial Statements"):

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's profit and the Group's 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.

#### **What we have audited**

Doughty Hanson & Co V Limited's Financial Statements comprise:

- the Consolidated and Parent Company Balance Sheet as at 31 December 2014;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **Doughty Hanson & Co V Limited**

## **Independent Auditors' Report to the members of Doughty Hanson & Co V Limited (continued)**

### **Responsibilities for the Financial Statements and the audit**

#### **Our responsibilities and those of the Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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) ("ISAs (UK & 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.

#### **What an audit of Financial Statements involves**

We conducted our audit in accordance with ISAs (UK and Ireland). 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's and the 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard McGuire (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
7 April 2015



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

**Consolidated Profit and Loss Account**

**For the year ended 31 December 2014**

	Note	2014 £'000	2013 £'000
<b>Continuing Operations</b>			
<b>Turnover</b>			
Income from Limited Partnerships	2	21,320	12,279
Administrative expenses		<u>(16,021)</u>	<u>(9,214)</u>
Operating profit		5,299	3,065
Interest payable and similar charges	6	(1,520)	(43)
Interest receivable and similar income		1,520	43
(Loss) / profit on disposal of fixed asset investments		<u>(1)</u>	<u>1</u>
<b>Profit on ordinary activities before taxation</b>	3	5,298	3,066
Tax on profit on ordinary activities	7	<u>-</u>	<u>34,183</u>
<b>Profit for the financial year</b>	15	<u><u>5,298</u></u>	<u><u>37,249</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 £5,297,190 (2013: £37,248,704) 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 31 December 2014**

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	8	<u>20</u>	<u>23</u>
<b>Current assets</b>			
Debtors: amounts falling due after one year	9	70,982	128,978
Cash at bank and in hand		<u>-</u>	<u>-</u>
		70,982	128,978
<b>Creditors: amounts falling due within one year</b>	10	<u>(7,695)</u>	<u>(70,992)</u>
<b>Net current assets</b>		<u>63,287</u>	<u>57,986</u>
<b>Total assets less current liabilities</b>		63,307	58,009
<b>Provisions for liabilities and charges</b>	11	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><u>63,307</u></u>	<u><u>58,009</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	14	<u>63,307</u>	<u>58,009</u>
<b>Total shareholder's funds</b>	15	<u><u>63,307</u></u>	<u><u>58,009</u></u>

The Financial Statements on pages 9 to 21 were approved by the board of Directors on 7 April 2015 and were signed on its behalf by:



R. N. Lund  
Director

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

**Parent Company Balance Sheet as at 31 December 2014**

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	8	<u>10</u>	<u>10</u>
<b>Current assets</b>			
Debtors	9	63,361	58,117
Cash at bank and in hand		<u>-</u>	<u>-</u>
		63,361	58,117
<b>Creditors: amounts falling due within one year</b>	10	<u>(65)</u>	<u>(120)</u>
<b>Net current assets</b>		<u>63,296</u>	<u>57,997</u>
<b>Total assets less current liabilities</b>		63,306	58,007
<b>Provisions for liabilities and charges</b>	11	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><u>63,306</u></u>	<u><u>58,007</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	14	<u>63,306</u>	<u>58,007</u>
<b>Total shareholder's funds</b>	15	<u><u>63,306</u></u>	<u><u>58,007</u></u>

The Financial Statements on pages 9 to 21 were approved by the board of Directors on 7 April 2015 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 2014**

	Note	2014 £'000	2013 £'000
<b>Net cash inflow from continuing operations</b>	16	-	-
<b>Returns on investments and servicing of finance</b>			
Interest received		-	-
Interest paid		-	-
<b>Net cash inflow from investments and servicing of finance</b>		-	-
<b>Taxation</b>		-	-
<b>Capital expenditure and financial investment</b>		-	-
<b>Net cash inflow from investing activities</b>		-	-
Net cash inflow before management of liquid resources		-	-
<b>Management of liquid resources</b>		-	-
<b>Financing</b>		-	-
<b>Movement in net cash</b>	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, including in relation to fixed asset investments, are made by a fellow subsidiary undertaking and settled via an intercompany payable. All other receipts, including in relation to fixed asset investments and taxation, 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 2014**

### **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 2014, 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 2014. 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 2014

### 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 required funding and actual 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'. The liability and corresponding debtor is recognised on the balance sheet of the Fund, not the Group, as it is a short term loan that the Group will never have to repay. It will be repaid by the Limited Partners of the Fund. 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 in the profit and loss account.

### 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.

	2014 £'000	2013 £'000
Income from Limited Partnerships	<u>21,320</u>	<u>12,279</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.

During the year loans were outstanding relating to ASCO and Qiron, portfolio companies in the Fund. The loans in relation to both ASCO and Qiron are reflected in the Balance Sheet of the Company as they were drawn down in order to provide financing for add-on acquisitions pending an exit or refinancing of the portfolio companies.

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

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

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

	2014 £'000	2013 £'000
Services provided by the Company's auditors:		
Fees payable for the audit of the Parent Company and Consolidated Financial Statements	14	18
Fees payable for the audit of the Subsidiaries pursuant to legislation	1	-
Fees payable for other services - tax advisory	1	1
Management fee charged by Doughty Hanson & Co Managers Limited	15,896	9,195

### 4 Employee information

There were no employees of the Group during the year (2013: nil). Services are provided to the Group by Doughty Hanson & Co Managers Limited, a fellow subsidiary.

### 5 Directors' emoluments

	2014 £'000	2013 £'000
Directors' emoluments (excluding pension contributions)	85	76
Pension contributions	<u>6</u>	<u>2</u>
	<u>91</u>	<u>78</u>

As at 31 December 2014 retirement benefits are accruing under defined contribution schemes for 2 Directors (2013: 2 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

	2014 £'000	2013 £'000
Interest on arrangement of bridging finance	<u>1,520</u>	<u>43</u>

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 7 Taxation

	2014 £'000	2013 £'000
<b>Current tax:</b>		
UK Corporation tax	-	-
Adjustments in respect of prior years	-	52
<b>Total current tax</b>	<b>-</b>	<b>52</b>
<b>Deferred tax (note 11):</b>		
Short term timing differences	-	18
Effect of foreign exchange movements	-	(18)
Effect of change in tax rate	-	360
Current year losses	(825)	(1,396)
Adjustment in respect of prior years	-	(37,627)
Unutilised tax losses	825	4,427
<b>Total deferred tax</b>	<b>-</b>	<b>(34,236)</b>
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>(34,184)</b>

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 21.5% (2013: 23.25%). The differences are explained below:

Profit on ordinary activities before tax	5,299	3,065
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%)	1,139	713
Unutilised losses	825	1,396
Permanent differences	(2,322)	(2,091)
Group relief surrendered	358	-
Short term timing differences	-	(18)
Adjustments in respect of prior years	-	52
<b>Current tax charge for the year</b>	<b>-</b>	<b>52</b>

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 21.5%. The overall tax charge for the year reflects a reduction in the deferred tax liabilities since the anticipated timing differences are now considered not likely to occur.

The Company has experienced tax timing differences that would result in a deferred tax asset of £5,007,173 (2013: £4,426,538) at the balance sheet date. However this deferred tax asset has not been recognised as future UK taxable profits cannot be assured.



# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 8 Fixed asset investments

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Investments in Limited Partnerships	10	13	-	-
Other Investments	10	10	10	10
	<u>20</u>	<u>23</u>	<u>10</u>	<u>10</u>

The accounts of the following subsidiaries, which are wholly owned, are included in the consolidated Financial Statements. The details of the subsidiaries are as follows:

#### DHC (DLP) Limited

This company is registered in England, registration number 06013702, and acts as the Designated Limited Partner in both Doughty Hanson & Co V Limited Partnership No. 2 and Doughty Hanson & Co Technology II Limited Partnership No. 2.

#### Doughty Hanson & Co V Bridgeco Limited

This company is registered in England, registration number 6019290, and arranges borrowing facilities on behalf of the Limited Partnerships forming Doughty Hanson & Co V.

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 1G 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.

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 9 Debtors

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts owed by fellow subsidiary undertakings	62,926	57,876	62,926	57,876
Short term loan	7,621	70,861	-	-
Amounts owed by related undertaking	435	241	435	241
	<u>70,982</u>	<u>128,978</u>	<u>63,361</u>	<u>58,117</u>

As at 31 December 2014, a short term loan of £7,620,800 was outstanding in relation to ASCO, a portfolio company in Doughty Hanson & Co V. This loan was reflected in the balance sheet of the Company as it was drawn down in order to provide financing for an add-on acquisition for ASCO pending a full refinancing or exit of the portfolio company. Interest is chargeable on this loan at EURIBOR +1.85% on a 3 month interest period. The loan expires on 19 January 2015; however there is the facility within the loan agreement to extend the loan for a further 3 months on a rolling basis.

As at 31 December 2013, a short term loan of £70,860,584 was outstanding in relation to Quiron, a portfolio company in Doughty Hanson & Co V. This loan was reflected in the balance sheet of the Company as it was drawn down in order to provide financing for an add-on acquisition for Quiron pending a full refinancing or exit of the portfolio company. Quiron was exited by the Fund in November 2014.

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

### 10 Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade creditors	2	1	2	1
Accruals and deferred income	63	119	63	119
Short term loan	7,621	70,861	-	-
Amount due to fellow subsidiary undertakings	9	11	-	-
	<u>7,695</u>	<u>70,992</u>	<u>65</u>	<u>120</u>

As at 31 December 2014, a short term loan of £7,620,800 was outstanding in relation to ASCO, a portfolio company in Doughty Hanson & Co V. This loan was reflected in the balance sheet of the Company as it was drawn down in order to provide financing for an add-on acquisition for ASCO pending a full refinancing or exit of the portfolio company. Interest is chargeable on this loan at EURIBOR +1.85% on a 3 month interest period. The loan expires on 19 January 2015; however there is the facility within the loan agreement to extend the loan for a further 3 months on a rolling basis.

As at 31 December 2013, a short term loan of £70,860,584 was outstanding in relation to Quiron, a portfolio company in Doughty Hanson & Co V. This loan was reflected in the balance sheet of the Company as it was drawn down in order to provide financing for an add-on acquisition for Quiron pending a full refinancing or exit of the portfolio company. Quiron was exited by the Fund in November 2014.

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 11 Provisions for liabilities and charges

	Company & Group 2014 £'000	Company & Group 2013 £'000
<b>Deferred tax</b>		
Opening balance	-	34,235
Profit and loss account	-	(34,235)
<b>Balance at 31 December</b>	<u>-</u>	<u>-</u>

The Company has experienced tax timing differences that would result in a deferred tax asset of £5,007,173 (2013: £4,426,538) at the balance sheet date. However this deferred tax asset has not been recognised as future UK taxable profits cannot be assured.

### 12 Share capital

	Company 2014 £	Company 2013 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and issued</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

### 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	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Opening profit and loss account	58,009	20,760	58,007	20,758
Profit for the financial year	<u>5,298</u>	<u>37,249</u>	<u>5,299</u>	<u>37,249</u>
	<u>63,307</u>	<u>58,009</u>	<u>63,306</u>	<u>58,007</u>

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 15 Reconciliation of movements in shareholder's funds

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Opening shareholder's funds	58,009	20,760	58,007	20,758
Profit for the financial year	<u>5,298</u>	<u>37,249</u>	<u>5,299</u>	<u>37,249</u>
Closing shareholder's funds	<u><u>63,307</u></u>	<u><u>58,009</u></u>	<u><u>63,306</u></u>	<u><u>58,007</u></u>

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

	2014	2013
	£'000	£'000
Operating profit	5,299	3,065
Decrease / (increase) in debtors	57,998	(73,939)
(Decrease) / increase in creditors, accruals and deferred income	<u>(63,297)</u>	<u>70,874</u>
Net cash inflow from operating activities	<u><u>-</u></u>	<u><u>-</u></u>

### 17 Reconciliation to net cash

	2014	2013
	£'000	£'000
Net cash at start of period	-	-
Movement in net cash	<u>-</u>	<u>-</u>
Net cash at 31 December	<u><u>-</u></u>	<u><u>-</u></u>

### 18 Reconciliation of movement in net cash

	At 1 January 2014 £'000	Cash Flow £'000	At 31 December 2014 £'000
Cash at bank and in hand	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

### 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 £21,320,079 by way of preferential drawings (2013: £12,279,039).

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2014

### 19 Related Parties (continued)

The Parent Company settles expenses on behalf of the Fund and recharges these to the Fund. During the year £1,943,226 (2013: £1,737,445) has been recharged in relation to such expenses. At 31 December 2013 £435,054 (2013: £241,159) was due from the Fund.

A management fee of £15,895,896 (2013: £9,195,275) 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 2014 a balance of £62,926,061 (2013: £57,875,881) 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 the Fund. Doughty Hanson & Co V Bridgeco Limited received no fees for its services in the year (2013: £nil). Interest payable of £1,519,936 (2013: £43,168) 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 £74 (2013: £215) has been contributed to Doughty Hanson & Co V. As at 31 December 2014 £nil (2013: £nil) is due to Doughty Hanson & Co V. As at 31 December 2014 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co V of up to £1,688 (2013: £1,809).

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 £1,853 by the way of distributions (2013: £2,020).

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 2014 £954 (2013: £2,733) is due to Doughty Hanson & Co V. These balances are interest free and repayable on demand.

DHC (DLP) Limited is the Designated Limited Partner in Doughty Hanson & Co Technology II LP. During the year £680 (2013: £613) has been contributed to Doughty Hanson & Co Technology II. As at 31 December 2014 £nil (2013: £nil) is due to Doughty Hanson & Co Technology II LP. As at 31 December 2014 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co Technology II LP of up to £231 (2013: £886).

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 £51 by the way of distributions (2013: £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 2014 £8,334 (2013: £7,706) is due to DHCT II Limited. These balances are interest free and repayable on demand.