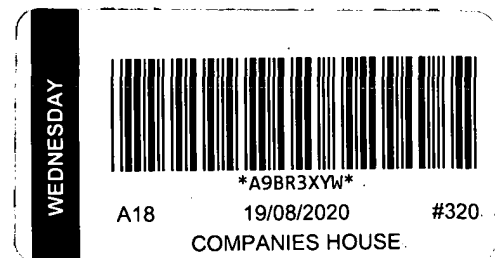


**DOUGHTY HANSON & CO V LIMITED**

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

**31 DECEMBER 2019**



Registered in England and Wales No. 06003237  
Registered address 36 Broadway, London, SW1H 0BH

# **Doughty Hanson & Co V Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2019**

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# Doughty Hanson & Co V Limited

## Strategic Report

### Business review

The principal activity of the Parent Company Doughty Hanson & Co V Limited (the "Company" and the "Parent Company") 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 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. Doughty Hanson & Co V Bridgeco Limited, a former subsidiary undertaking, was dissolved in August 2019.

The DH Private Equity Partners website, available via [www.dhpep.com](http://www.dhpep.com), outlines the remaining portfolio of investments and for the remaining investments 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 (Key Performance Indicators) 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 10. The Group's profit for the financial year is £nil (2018: profit of £895,000).

No dividend was paid or proposed.

The Group's net assets at 31 December 2019 are £12,000 (2018: £72,545,000). The Directors are satisfied with the financial 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.

### Risks arising from coronavirus

The global outbreak of the coronavirus ("COVID-19") in Q1 2020 continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The impact of the global outbreak has been rapidly evolving and many countries, including the United Kingdom, have reacted by instituting quarantines and restrictions on movement. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, as well as giving rise to general concern and uncertainty. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of slower global economic growth. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19.

The Group reviewed its continuity and contingency planning in February and March 2020. Following the worsening of the outlook in the UK in March 2020, staff have been working remotely from home, and this arrangement is working satisfactorily. The Directors expect the Company to be in a position to continue operations throughout this period of uncertainty and to continue as a going concern.

On behalf of the Board:



P. R. Kruppa  
Director  
28 July 2020

Registered Office:  
36 Broadway  
London  
SW1H 0BH

# **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 2019.

### **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. This was in place throughout the year and at the date the Financial Statements were approved.

### **Directors**

The Directors who served during the year and up to the date of the signing of the Financial Statements were as follows:

R. P. Hanson	
G. D. Stening	
J. M. Bradshaw	
B. M. Dooley	(resigned 28 February 2020)
P. R. Kruppa	(appointed 28 February 2020)

### **Risk Management**

The Group's risk management objectives are detailed in the Strategic Report on pages 3 and 4.

### **Dividend**

No dividend was paid or proposed (2018: nil).

# Doughty Hanson & Co V Limited

## Directors' Report (continued)

### Statement of Directors' responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

On behalf of the Board:



P. R. Kruppa  
Director  
28 July 2020

Registered Office:  
36 Broadway  
London  
SW1H 0BH

# **Doughty Hanson & Co V Limited**

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

### **Report on the audit of the financial statements**

#### **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 2019 and of the group's result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet, and the Parent Company Balance Sheet as at 31 December 2019; the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement, and the Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern.

# **Doughty Hanson & Co V Limited**

## **Independent Auditors' Report to the member of**

### **Doughty Hanson & Co V Limited (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



# **Doughty Hanson & Co V Limited**

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

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the parent 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.

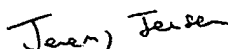
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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
- certain disclosures of directors' remuneration specified by law are not made; 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.



Jeremy Jensen (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
28 July 2020

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

**Consolidated Profit and Loss Account**

**For the year ended 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Turnover</b>			
Income from Limited Partnerships	2	-	3,576
Fair value adjustments on investments		(808)	(150)
Administrative expenses		<u>808</u>	<u>(2,531)</u>
<b>Operating profit</b>		-	895
Interest payable and similar expenses	6	-	(409)
Interest receivable and similar income	6	<u>-</u>	<u>409</u>
<b>Profit before taxation</b>	3	-	895
Taxation	7	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><u>-</u></u>	<u><u>895</u></u>

The Group has no recognised comprehensive income other than that shown above. All comprehensive income is attributable to the Parent Company.

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

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

**Consolidated Balance Sheet as at 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	8	<u>268</u>	<u>1,076</u>
<b>Current assets</b>			
Debtors	9	3	72,593
Cash and cash equivalents		<u>-</u>	<u>-</u>
		3	72,593
<b>Creditors: amounts falling due within one year</b>	10	<u>(8)</u>	<u>(65)</u>
<b>Net current (liabilities) / assets</b>		<u>(5)</u>	<u>72,528</u>
<b>Total assets less current liabilities</b>		263	73,604
<b>Provisions for liabilities</b>	11	<u>(251)</u>	<u>(1,059)</u>
<b>Net assets</b>		<u><u>12</u></u>	<u><u>72,545</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account		<u>12</u>	<u>72,545</u>
<b>Total shareholder's funds</b>		<u><u>12</u></u>	<u><u>72,545</u></u>

The Financial Statements on pages 10 to 23 were approved by the board of Directors on 27 July 2020 and were signed on its behalf by:



P. R. Kruppa  
Director

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

**Parent Company Balance Sheet as at 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	8	<u>261</u>	<u>1,069</u>
<b>Current assets</b>			
Debtors	9	-	72,591
Cash and cash equivalents		<u>-</u>	<u>-</u>
		-	72,591
<b>Creditors: amounts falling due within one year</b>	10	<u>-</u>	<u>(58)</u>
<b>Net current assets</b>		<u>-</u>	<u>72,533</u>
<b>Total assets less current liabilities</b>		<b>261</b>	<b>73,602</b>
<b>Provisions for liabilities</b>	11	<u>(251)</u>	<u>(1,059)</u>
<b>Net assets</b>		<u><u>10</u></u>	<u><u>72,543</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account		<u>10</u>	<u>72,543</u>
<b>Total shareholder's funds</b>		<u><u>10</u></u>	<u><u>72,543</u></u>

The Profit and Loss account of the Parent Company has not been included in these Financial Statements. Of the profit for the year, a profit of £nil (2018: profit £892,000) is included in the Financial Statements of the Parent Company.

The Financial Statements on pages 10 to 23 were approved by the board of Directors on 27 July 2020 and were signed on its behalf by:



P. R. Kruppa  
Director

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

**Consolidated Cash Flow Statement**

**For the year ended 31 December 2019**

	2019 £'000	2018 £'000
<b>Profit for the financial year</b>	-	895
Taxation	-	-
Interest receivable and similar income	-	(409)
Interest payable and similar charges	-	409
<b>Operating profit for the financial year</b>	-	895
Adjustments for:		
Decrease in debtors	72,590	23,243
Waiver of amount due from fellow subsidiary undertaking	(72,533)	-
(Decrease) in creditors, accruals and deferred income	(57)	(24,136)
Decrease in fair value of fixed asset investments	808	150
Decrease in provision	(808)	(152)
<b>Net cash from operating activities</b>	-	-
<b>Net cash from investing activities</b>	-	-
<b>Net cash from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at the beginning of the year</b>	-	-
<b>Cash and cash equivalents at the end of the year</b>	-	-

There are no cash movements in relation to the arrangement of bridging finance, which are shown as Short Term loans in Debtors and Creditors, all receipts and payments, including interest payments are received/made by the two Limited Partnerships forming 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**  
**Registered in England and Wales No. 06003237**

**Statements of Changes in Equity**

**For the year ended 31 December 2019**

<b>Group</b>	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>As at 1 January 2018</b>	-	71,650	71,650
Profit and total comprehensive income for the financial year	-	895	895
<b>As at 31 December 2018</b>	-	72,545	72,545
Profit and total comprehensive income for the financial year	-	-	-
Waiver of amounts due from fellow subsidiary undertaking	-	(72,533)	(72,533)
<b>As at 31 December 2019</b>	-	12	12

<b>Parent Company</b>	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>As at 1 January 2018</b>	-	71,651	71,651
Profit and total comprehensive income for the financial year	-	892	892
<b>As at 31 December 2018</b>	-	72,543	72,543
Profit and total comprehensive income for the financial year	-	-	-
Waiver of amounts due from fellow subsidiary undertaking	-	(72,533)	(72,533)
<b>As at 31 December 2019</b>	-	10	10

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 1 Accounting policies

#### General information

The principal activity of the Parent Company Doughty Hanson & Co V Limited (the "Company" and the "Parent Company") 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 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. Doughty Hanson & Co V Bridgeco Limited, a former subsidiary undertaking, was dissolved in August 2019.

The Parent Company is a private company limited by shares and is incorporated in England & Wales, registration number 06003237.

#### Statement of compliance

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006.

#### Basis of accounting

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 Parent Company's business.

#### Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Parent Company and of its subsidiary undertaking DHC (DLP) Limited. The consolidation is prepared using the acquisition method of accounting.

#### Fixed asset investments

Investments are valued at fair value less provision, if appropriate, for impairment. Changes in fair value are recognised in profit or loss. Fair value is determined with reference to the International Private Equity and Venture Capital Valuation Guidelines. This valuation methodology is consistent with that which is used by the respective Limited Partnerships and is presented to investors.

#### Limited Partnerships and Investments

As at 31 December 2019, 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 company 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.

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 1 Accounting policies (continued)

#### Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax is measured at the enacted tax rate for the year ended 31 December 2019. 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.

#### Deferred income

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

#### 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.

#### Financial instruments

The Parent Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 1 Accounting policies (continued)

#### Financial assets (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

### 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 the Fund.

	2019 £'000	2018 £'000
Income from Limited Partnerships	-	3,576

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 3 Profit before taxation

Profit before taxation is stated after charging:

	2019 £'000	2018 £'000
Services provided by the Parent Company's auditors:		
Fees payable for the audit of the Parent Company and Consolidated Financial Statements	11	16
Fees payable for other services - tax advisory	1	1
Management fee charged by Doughty Hanson & Co Managers Limited	-	2,678
<b>Financial assets measured at fair value through profit &amp; loss</b>		
Changes in fair value of fixed asset investments	808	150

### 4 Employee information

There were no employees of the Parent Company during the year (2018: nil). Services are provided to the Parent Company by Doughty Hanson & Co Managers Limited, a fellow subsidiary of DHC Limited. Employees of Doughty Hanson & Co Managers Limited have been awarded retention incentive arrangements by the Parent Company that take the form of bonuses.

	2019 £'000	2018 £'000
Bonuses	(808)	(152)
	<u>(808)</u>	<u>(152)</u>

### 5 Directors' emoluments

	2019 £'000	2018 £'000
Directors' emoluments (excluding pension contributions)	26	44
Pension contributions	-	1
	<u>26</u>	<u>45</u>

As at 31 December 2019 retirement benefits are accruing under defined contribution schemes for one Director (2018: Nil).

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 Net interest and similar income

	2019 £'000	2018 £'000
<b>Interest received and similar income</b>		
<b>Financial assets measured at amortised cost</b>		
Interest on arrangement of bridging finance	-	409
Total interest receivable and similar income	<u>-</u>	<u>409</u>
<b>Interest payable and similar expenses</b>		
<b>Financial liabilities measured at amortised cost</b>		
Interest on arrangement of bridging finance	-	(409)
Total interest payable and similar charges	<u>-</u>	<u>(409)</u>

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 7 Taxation

	2019 £'000	2018 £'000
<b>Current tax:</b>		
UK Corporation tax	-	-
Adjustments in respect of prior years	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Total deferred tax	-	-
<b>Tax on profit</b>	-	-

### Reconciliation of tax charge

Tax assessed for the year is the same as the standard rate of United Kingdom corporation tax of 19% (2018: 19%). The differences are explained below.

	2019 £'000	2018 £'000
Profit before tax	-	895
Profit multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2018 – 19%)	-	170
Timing differences not recognised	-	(2,234)
(Utilised) / unutilised losses not recognised	-	-
Permanent differences	-	1,874
Current year unutilised losses	-	190
Group relief surrendered	-	-
<b>Tax charge for the year</b>	-	-

The standard rate of Corporation Tax in the UK in 2019 was 19% (2018: 19%). Accordingly, the Company's losses for the year are taxed at a rate of 19% (2018: 19%). The relevant deferred tax balances have been measured at a rate of 19%, being the effective rate for the year ended 31 December 2019.

The Group has experienced tax timing differences that would result in a deferred tax asset of £6,837,841 (2018: £6,941,387) at the balance sheet date. However this deferred tax asset has not been recognised as future UK taxable profits cannot be assured.

### 8 Investments

	Group		Parent Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investments in Limited Partnerships	7	7	-	-
Other Investments	261	1,069	261	1,069
	<b>268</b>	<b>1,076</b>	<b>261</b>	<b>1,069</b>

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 8 Investments (continued)

#### Reconciliation of movements

	Group		Parent Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Investments at cost</b>				
1 January	17	18	10	10
Additions	0	2	-	-
Disposals	(0)	(2)	-	-
<b>31 December</b>	<b>17</b>	<b>18</b>	<b>10</b>	<b>10</b>
Adjustment to fair value	251	1,058	251	1,059
<b>Fair value</b>				
31 December	268	1,076	261	1,069

	Group		Parent Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Adjustment to fair value</b>				
1 January	1,058	1,211	1,059	1,211
Net adjustments	(808)	(150)	(808)	(152)
Other	1	-	-	-
On disposals	-	(3)	-	-
<b>31 December</b>	<b>251</b>	<b>1,058</b>	<b>251</b>	<b>1,059</b>

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 of both Limited Partnerships.

Other investments represents a holding in M&C Guernsey Limited, the Special Limited Partner in the Fund.

The accounts of the following subsidiary, which is wholly owned, are included in the consolidated Financial Statements. The details of the subsidiary 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 LP No. 2 and Doughty Hanson & Co Technology II LP No. 2. The registered address is 36 Broadway, London, SW1H 0BH.

#### Doughty Hanson & Co V Bridgeco Limited

This company was registered in England, registration number 6019290, and arranged borrowing facilities on behalf of the two Limited Partnerships forming Doughty Hanson & Co V. The company was dissolved in August 2019.

#### Other Subsidiaries

The Parent Company has two wholly owned subsidiaries which act as nominees for the two Limited Partnerships constituting the Fund, whose registered addresses are 36 Broadway, London, SW1H 0BH. In accordance with the Companies Act 2006 Section 405 exemption, 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.

The above nominee companies hold, as nominee, interests in portfolio companies for the beneficial ownership of the Limited Partnerships of the Fund.

Investments held by the Fund are not included in the Parent 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 2019

### 9 Debtors

	Group		Parent Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts owed by group undertakings	-	72,325	-	72,323
Short term loan	-	-	-	-
Amounts owed by fellow subsidiary undertakings	3	268	-	268
	<u>3</u>	<u>72,593</u>	<u>-</u>	<u>72,591</u>

£72,533,420 of the reduction in debtors is due to the waiver of loan amounts due from group undertakings. Please refer to Note 14.

Amounts owed by fellow subsidiary undertakings are repayable on demand and are interest free.

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

	Group		Parent Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts owed to fellow subsidiary undertakings	8	7	-	-
Accrual and deferred income	-	58	-	58
	<u>8</u>	<u>65</u>	<u>-</u>	<u>58</u>

### 11 Provisions for liabilities

	2019	2018
	£'000	£'000
Employee retention arrangements	<u>251</u>	<u>1,059</u>
	<u>251</u>	<u>1,059</u>

Services are provided to the Company by Doughty Hanson & Co Managers Limited, a fellow subsidiary of DHC Limited. Employees of Doughty Hanson & Co Managers Limited were awarded retention incentive arrangements by the Company that take the form of bonuses.

### 12 Called up share capital

	Parent Company	
	2019	2018
	£	£
<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>

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 13 Ultimate parent company

The immediate and 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 36 Broadway, London, SW1H 0BH. 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 and Italy. The financial statements of DHC Limited are not publicly available.

The ultimate controlling party is Richard Hanson, who is UK domiciled and therefore subject to UK taxation.

### 14 Related Parties

The Parent Company is the General Partner in the two Limited Partnerships constituting the Fund. This entitles the Parent Company to a share of income and capital distributions made in accordance with the Limited Partnership agreements. During the year, the Group did not receive any payments by way of preferential drawings (2018: £3,575,601).

The Company settled expenses on behalf of the Fund and recharged these to the Fund. Up until 30 September 2019 £134,754 (2018: £432,579) was recharged in relation to such expenses. From 1 October 2019 such expenses were settled by Doughty Hanson & Co Managers Limited and recharged to the Fund. At 31 December 2019 £nil (2018: £267,697) was due from the Fund in relation to expenses.

No Management fee (2018: £2,677,993) was payable by the Parent Company to Doughty Hanson & Co Managers Limited ("DHCM") in respect of the provision of investment management services provided by DHCM relating to the Fund. This fee is not specifically settled but rather becomes part of the ongoing inter company trading balance between the two group entities on which no interest is payable. At 31 December 2019 a balance of £nil (2018: £72,323,023) is due from DHCM to the Parent Company.

The principal activity of Doughty Hanson & Co V Bridgeco Limited, a subsidiary undertaking, was to arrange and provide bridging finance for use in investments undertaken by the Fund. Bridging finance arranged for the Fund was guaranteed and repaid by the Fund. Doughty Hanson & Co V Bridgeco Limited was dissolved in August 2019.

DHC (DLP) Limited, a subsidiary undertaking, is the Designated Limited Partner in Doughty Hanson & Co V LP No. 2. DHC (DLP) Limited has commitments to participate in Doughty Hanson & Co V LP No. 2. During the year £nil (2018: £154) has been contributed to Doughty Hanson & Co V LP No. 2. As at 31 December 2019 £nil (2018: £nil) is due to Doughty Hanson & Co V LP No. 2. As at 31 December 2019 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co V LP No. 2 of up to £296 (2018: £313).

DHC (DLP) Limited is entitled to a share of income and capital distributions made from Doughty Hanson & Co V LP No. 2 in accordance with the Limited Partnership Agreement. During the year, DHC (DLP) Limited received £nil by the way of distributions (2018: £2,382).

DHC (DLP) Limited is the Designated Limited Partner in Doughty Hanson & Co Technology II LP. During the year £479 (2018: £1,368) has been contributed to Doughty Hanson & Co Technology II LP. As at 31 December 2019 £nil (2018: £nil) is due to Doughty Hanson & Co Technology II LP. As at 31 December 2019 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co Technology II LP of up to £449 (2018: £908).

DHC (DLP) Limited is entitled to a share of income and capital distributions made from Doughty Hanson & Co Technology II LP in accordance with the Limited Partnership Agreement. During the year, DHC (DLP) Limited received £1,017 by the way of distributions (2018: £2,882) and realised net gain of £992 (2018: gain of £2,316).

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 Limited Partnership. As at 31 December 2019 £3,077 (2018: £2,977) is due from Doughty Hanson & Co V Limited. As at 31 December 2019 £6,507 (2018: £7,046) is due to DHCT II Limited. These balances are interest free and repayable on demand.

On 16 October 2019, the Company was issued with £72,533,420 Loan Notes by Doughty Hanson & Co Managers Limited recording the terms of the indebtedness. The Company and Doughty Hanson & Co Managers Limited subsequently mutually agreed to waive £72,533,420 due to the Company under the Loan Notes such that there was nil remaining as of 31 December 2019.

# Doughty Hanson & Co V Limited

## Notes to the Financial Statements for the year ended 31 December 2019

### 15 Financial instruments

	Group		Parent Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Financial assets measured at fair value through profit &amp; loss</b>				
Investments in Limited Partnerships	7	7	-	-
Other Investments	261	1,069	261	1,069
	<u>268</u>	<u>1,076</u>	<u>261</u>	<u>1,069</u>
<b>Financial assets measured at amortised cost</b>				
Amounts owed by fellow subsidiary undertakings	-	72,325	-	72,323
Short term loan	-	-	-	-
Amounts owed by related undertaking	3	268	-	268
	<u>3</u>	<u>72,593</u>	<u>-</u>	<u>72,591</u>
<b>Financial liabilities measured at amortised cost</b>				
Amounts owed to fellow subsidiary undertakings	8	7	-	-
Accruals	-	58	-	58
	<u>8</u>	<u>65</u>	<u>-</u>	<u>58</u>

### Financial assets measured at fair value through profit & loss

The fair value of investments are estimated with reference to the International Private Equity and Venture Capital Valuation Guidelines. This valuation methodology is consistent with that which is used by the respective Limited Partnerships and is presented to investors.

### Investments in Limited Partnerships and Other Investments

#### Liquidity risk

The assets are illiquid. However this is not reflected in the investment valuations when compared with publically traded comparable companies as the investments can be held until a suitable buyer is identified.

#### Market risk

The assets are held in a limited number of investments and those investments may be concentrated in a particular industry or geographical region. A consequence of this concentration is that performance may be more favourable or unfavourably affected by the performance of individual investments, industries or regions.

#### Credit risk

Within the investee fund portfolio companies themselves levels of credit risk are dependent on the type and concentration of customers. This is managed by the executive management and further reviewed by the respective investment committees.

### 15 Financial instruments

On 30 January 2020 the World Health Organisation declared the coronavirus ("COVID-19") to be a public health emergency. As of the date of this report, the COVID-19 crisis is still ongoing and its ultimate impact on the global economy is uncertain and subject to change. We continue to monitor the situation and are in close contact with our portfolio companies. The Directors expect the Company to be in a position to continue operations throughout this period of uncertainty and to continue as a going concern. Whilst uncertain, the COVID-19 situation is not expected to have a significant impact upon the Company given the nature of its operations. The COVID-19 situation will continue to be monitored closely. It is viewed as a non-adjusting item in these Financial Statements.