

DOUGHTY HANSON & CO V LIMITED

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

31 DECEMBER 2020



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 2020

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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") was to act as General Partner of the two Limited Partnerships forming Doughty Hanson & Co V (the "Fund") until their winding up on 24 February 2021. The principal activity of DHC (DLP) Limited, a subsidiary undertaking consolidated in these Financial Statements, has been to be the Designated Limited Partner in both Doughty Hanson & Co V LP No. 2, until its winding up on 24 February 2021 and Doughty Hanson & Co Technology II LP (in dissolution). On 28 May 2021 a decision was made to dissolve the Company and the subsidiary undertaking DHC (DLP) Limited. As such the non-statutory Financial Statements have not been prepared on a going concern basis and have been prepared on a realisation basis. Provisions have been made where necessary, for liabilities and other commitments.

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 7. The Group's loss for the financial year is £8,000 (2019: £nil).

No dividend was paid or proposed.

The Group's net assets at 31 December 2020 are £4,000 (2019: £12,000). 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, although the introduction of vaccine programs in Q1 2021 is clearly encouraging.

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 continues to work satisfactorily.

On behalf of the Board:



P. R. Kruppa
Director
28 May 2021

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 consolidated Financial Statements for the year ended 31 December 2020.

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 non-statutory 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 (2019: nil).

Audit

As these Financial Statements are non-statutory, they are unaudited.

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 non-statutory Financial Statements in accordance with applicable law and regulation.

Given that a decision has been made to dissolve the Company, the Directors have prepared the non-statutory Financial Statements on a realization basis. Details of this basis of preparation are set out in Note 1 of the non-statutory Financial Statements.

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.

On behalf of the Board:



P. R. Kruppa
Director
28 May 2021

Registered Office:
36 Broadway
London
SW1H 0BH

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

Consolidated Profit and Loss Account

For the year ended 31 December 2020

| | Note | 2020 £'000 | 2019 £'000 |
|-----------------------------------------------|------|-------------------|-----------------|
| Turnover | | | |
| Fair value adjustments on investments | 2 | (260) | (808) |
| Administrative expenses | | 251 | 808 |
| Gain on disposal of fixed asset investments | | <u>1</u> | <u>-</u> |
| Operating (loss) / profit | | (8) | - |
| Interest payable and similar expenses | | - | - |
| Interest receivable and similar income | | <u>-</u> | <u>-</u> |
| (Loss) / profit before taxation | 2 | (8) | - |
| Taxation | 5 | <u>-</u> | <u>-</u> |
| (Loss) / profit for the financial year | | <u>(8)</u> | <u>-</u> |

The Group has no recognised comprehensive expense other than that shown above. All comprehensive expense 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 2020

| | Note | 2020 £'000 | 2019 £'000 |
|-------------------------------------------------------|------|-----------------|------------------|
| Fixed assets | | | |
| Investments | 6 | <u>5</u> | <u>268</u> |
| Current assets | | | |
| Debtors | 7 | 3 | 3 |
| Cash and cash equivalents | | <u>-</u> | <u>-</u> |
| | | 3 | 3 |
| Creditors: amounts falling due within one year | 8 | <u>(4)</u> | <u>(8)</u> |
| Net current liabilities | | <u>(1)</u> | <u>(5)</u> |
| Total assets less current liabilities | | 4 | 263 |
| Provisions for liabilities | 9 | <u>-</u> | <u>(251)</u> |
| Net assets | | <u><u>4</u></u> | <u><u>12</u></u> |
| Capital and reserves | | | |
| Called up share capital | 10 | - | - |
| Profit and loss account | | <u>4</u> | <u>12</u> |
| Total shareholder's funds | | <u><u>4</u></u> | <u><u>12</u></u> |

The non-statutory Financial Statements on pages 7 to 20 were approved by the board of Directors on 28 May 2021 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 2020

| | Note | 2020 £'000 | 2019 £'000 |
|-------------------------------------------------------|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 6 | - | 261 |
| Current assets | | | |
| Debtors | 7 | 3 | - |
| Cash and cash equivalents | | - | - |
| | | 3 | - |
| Creditors: amounts falling due within one year | 8 | (3) | - |
| Net current assets | | - | - |
| Total assets less current liabilities | | - | 261 |
| Provisions for liabilities | 9 | - | (251) |
| Net assets | | - | 10 |
| Capital and reserves | | | |
| Called up share capital | 10 | - | - |
| Profit and loss account | | - | 10 |
| Total shareholder's funds | | - | 10 |

The Profit and Loss account of the Parent Company has not been included in these Financial Statements. Of the loss for the year, a loss of £10,000 (2019: £nil) is included in the Financial Statements of the Parent Company.

The Financial Statements on pages 7 to 20 were approved by the board of Directors on 28 May 2021 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 2020

| | 2020 £'000 | 2019 £'000 |
|---------------------------------------------------------------|---------------|---------------|
| Loss for the financial year | (8) | - |
| Taxation | - | - |
| Interest receivable and similar income | - | - |
| Interest payable and similar charges | - | - |
| Operating loss for the financial year | (8) | - |
| Adjustments for: | | |
| Profit on disposal of fixed asset investments | (1) | - |
| Decrease in debtors | - | 72,590 |
| Waiver of amount due from fellow subsidiary undertaking | - | (72,533) |
| Decrease in creditors, accruals and deferred income | - | (57) |
| Decrease in fair value of fixed asset investments | 260 | 808 |
| Decrease in provision | (251) | (808) |
| Net cash from operating activities | - | - |
| Net cash from investing activities | - | - |
| Net cash from financing activities | - | - |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year | - | - |
| Cash and cash equivalents at the end of the year | - | - |

All receipts and payments, including in relation to fixed asset investments, are made by a fellow subsidiary undertaking and settled via an intercompany payable.

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

Statements of Changes in Equity

For the year ended 31 December 2020

| Group | Called up share capital | Profit and loss account | Total shareholders' funds |
|--------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------------|
| | £'000 | £'000 | £'000 |
| As at 1 January 2019 | - | 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) |
| As at 31 December 2019 | <u>-</u> | <u>12</u> | <u>12</u> |
| Loss and total comprehensive expense for the financial year | - | (8) | (8) |
| As at 31 December 2020 | <u>-</u> | <u>4</u> | <u>4</u> |

| Parent Company | Called up share capital | Profit and loss account | Total shareholders' funds |
|--------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------------|
| | £'000 | £'000 | £'000 |
| As at 1 January 2019 | - | 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) |
| As at 31 December 2019 | <u>-</u> | <u>10</u> | <u>10</u> |
| Loss and total comprehensive expense for the financial year | - | (10) | (10) |
| As at 31 December 2020 | <u>-</u> | <u>-</u> | <u>-</u> |

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

1 Accounting policies

General information

The principal activity of the Parent Company Doughty Hanson & Co V Limited (the "Company" and the "Parent Company") was to act as General Partner of the two Limited Partnerships forming Doughty Hanson & Co V (the "Fund") until their winding up on 24 February 2021. The principal activity of DHC (DLP) Limited, a subsidiary undertaking consolidated in these non-statutory Financial Statements, has been to be the Designated Limited Partner in both Doughty Hanson & Co V LP No. 2, until its winding up on 24 February 2021 and Doughty Hanson & Co Technology II LP (in dissolution). On 28 May 2021 a decision was made to dissolve the Company and the subsidiary undertaking DHC (DLP) Limited. As such the non-statutory Financial Statements have not been prepared on a going concern basis and have been prepared on a realisation basis. Provisions have been made where necessary, for liabilities and other commitments.

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

Statement of compliance

These non-statutory 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 non-statutory 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 non-statutory 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 2020, the Parent Company managed two private equity Limited Partnerships in which it had a small participating interest, and for which it acted as the General Partner. Investments held through the Limited Partnerships were 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 were not included in the Group Financial Statements since there were severe long term restrictions over the rights of the General Partner in relation to the Limited Partnerships.

The two Limited Partnerships forming Doughty Hanson & Co V were wound up on 24 February 2021.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

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 2020. 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 2020

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.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

2 Loss before taxation

Loss before taxation is stated after charging:

| | 2020 £'000 | 2019 £'000 |
|----------------------------------------------------------------------------------------|---------------|---------------|
| Services provided by the Parent Company's auditors: | | |
| Fees payable for the audit of the Parent Company and Consolidated Financial Statements | - | 11 |
| Fees payable for other services - tax advisory | - | 1 |
| Financial assets measured at fair value through profit & loss | | |
| Changes in fair value of fixed asset investments | 260 | 808 |

3 Employee information

There were no employees of the Parent Company during the year (2019: 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.

| | 2020 £'000 | 2019 £'000 |
|---------|---------------------|---------------------|
| Bonuses | <u>(251)</u> | <u>(808)</u> |
| | <u>(251)</u> | <u>(808)</u> |

4 Directors' emoluments

| | 2020 £'000 | 2019 £'000 |
|---------------------------------------------------------|------------------|------------------|
| Directors' emoluments (excluding pension contributions) | 25 | 26 |
| Pension contributions | <u>-</u> | <u>-</u> |
| | <u>25</u> | <u>26</u> |

As at 31 December 2020 retirement benefits are accruing under defined contribution schemes for one Director (2019: one).

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.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

5 Taxation

| | 2020 £'000 | 2019 £'000 |
|---------------------------------------|---------------|---------------|
| Current tax: | | |
| UK Corporation tax | - | - |
| Adjustments in respect of prior years | - | - |
| Total current tax | - | - |
| Deferred tax: | | |
| Total deferred tax | - | - |
| Tax on profit | - | - |

Reconciliation of tax charge

Tax assessed for the year is the same as the standard rate of United Kingdom corporation tax of 19% (2019: 19%). The differences are explained below.

| | 2020 £'000 | 2019 £'000 |
|---------------------------------------------------------------------------------------------------|---------------|---------------|
| Loss before tax | (8) | - |
| Loss multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2019 – 19%) | (2) | - |
| Timing differences not recognised | - | - |
| (Utilised) / unutilised losses not recognised | - | - |
| Permanent differences | - | - |
| Current year unutilised losses | 2 | - |
| Group relief surrendered | - | - |
| Tax charge for the year | - | - |

The standard rate of Corporation Tax in the UK in 2020 was 19% (2019: 19%). Accordingly, the Company's losses for the year are taxed at a rate of 19% (2019: 19%). The relevant deferred tax balances have been measured at a rate of 19%, being the effective rate for the year ended 31 December 2020.

The Group has experienced tax timing differences that would result in a deferred tax asset of £6,839,690 (2019: £6,837,841) at the balance sheet date. However this deferred tax asset has not been recognised as future UK taxable profits cannot be assured.

6 Investments

| | Group | | Parent Company | |
|-------------------------------------|---------------|---------------|----------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Investments in Limited Partnerships | 5 | 7 | - | - |
| Other Investments | - | 261 | - | 261 |
| | 5 | 268 | - | 261 |

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

6 Investments (continued)

Reconciliation of movements

| | Group | | Parent Company | |
|----------------------------|---------------|---------------|----------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Investments at cost | | | | |
| 1 January | 17 | 17 | 10 | 10 |
| Additions | 0 | 0 | - | - |
| Disposals | (10) | (0) | (10) | - |
| 31 December | 7 | 17 | - | 10 |
| Adjustment to fair value | (2) | 251 | - | 251 |
| Fair value | | | | |
| 31 December | 5 | 268 | - | 261 |

| | Group | | Parent Company | |
|---------------------------------|---------------|---------------|----------------|---------------|
| | 2020 £'000 | 2019 £'000 | 2020 £'000 | 2019 £'000 |
| Adjustment to fair value | | | | |
| 1 January | 251 | 1,058 | 251 | 1,059 |
| Net adjustments | (251) | (808) | (251) | (808) |
| Other | - | 1 | - | - |
| On disposals | (2) | - | - | - |
| 31 December | (2) | 251 | - | 251 |

As at 31 December 2020 Investments in Limited Partnerships relate to capital and loan account contributions to Doughty Hanson & Co Technology II LP (in dissolution) through DHC (DLP) Limited, a subsidiary undertaking, which is the Designated Limited Partner of the Limited Partnership.

Other investments represented a holding in M&C Guernsey Limited, the Special Limited Partner in the Fund. This was written off in 2020.

The accounts of the following subsidiary, which is wholly owned, are included in the non-statutory 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 Doughty Hanson & Co Technology II LP (in dissolution) and acted as the Designated Limited Partner in Doughty Hanson & Co V LP No. 2 until its winding up on 24 February 2021. The registered address is 36 Broadway, London, SW1H 0BH.

Other Subsidiaries

The Parent Company has two wholly owned subsidiaries which acted 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 held as nominee, interests in portfolio companies for the beneficial ownership of the Limited Partnerships of the Fund.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

7 Debtors

| | Group | | Parent Company | |
|------------------------------------------------|----------|----------|----------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts owed by group undertakings | - | - | - | - |
| Short term loan | - | - | - | - |
| Amounts owed by fellow subsidiary undertakings | 3 | 3 | 3 | - |
| | <u>3</u> | <u>3</u> | <u>3</u> | <u>-</u> |

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

8 Creditors: amounts falling due within one year

| | Group | | Parent Company | |
|------------------------------------------------|----------|----------|----------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts owed to fellow subsidiary undertakings | 4 | 8 | 3 | - |
| Accrual and deferred income | - | - | - | - |
| | <u>4</u> | <u>8</u> | <u>3</u> | <u>-</u> |

9 Provisions for liabilities

| | 2020 | 2019 |
|---------------------------------|----------|------------|
| | £'000 | £'000 |
| Employee retention arrangements | - | 251 |
| | <u>-</u> | <u>251</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 took the form of bonuses.

10 Called up share capital

| | Parent Company | |
|---------------------------------------|----------------|------------|
| | 2020 | 2019 |
| | £ | £ |
| Authorised | | |
| 100 Ordinary Shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and issued | | |
| 100 Ordinary Shares of £1 each | <u>100</u> | <u>100</u> |

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

11 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. 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.

12 Related Parties

The Parent Company was the General Partner in the two Limited Partnerships constituting the Fund until its winding up on 24 February 2021. This entitled 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 (2019: £nil).

DHC (DLP) Limited, a subsidiary undertaking, was the Designated Limited Partner in Doughty Hanson & Co V LP No. 2, which was wound up on 24 February 2021. DHC (DLP) Limited had commitments to participate in Doughty Hanson & Co V LP No. 2. During the year £nil (2019: £nil) has been contributed to Doughty Hanson & Co V LP No. 2. As at 31 December 2020 £nil (2019: £nil) is due to Doughty Hanson & Co V LP No. 2. As at 31 December 2020 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co V LP No. 2 of £nil (2019: £296).

DHC (DLP) Limited was 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 £242 by the way of distributions (2019: £nil).

DHC (DLP) Limited is the Designated Limited Partner in Doughty Hanson & Co Technology II LP (in dissolution). During the year £nil (2019: £479) has been contributed to Doughty Hanson & Co Technology II LP. As at 31 December 2020 £nil (2019: £nil) is due to Doughty Hanson & Co Technology II LP. As at 31 December 2020 DHC (DLP) Limited has aggregated uncalled commitments to Doughty Hanson & Co Technology II LP of up to £475 (2019: £449).

DHC (DLP) Limited is entitled to a share of income and capital distributions made from Doughty Hanson & Co Technology II LP (in dissolution) in accordance with the Limited Partnership Agreement. During the year, DHC (DLP) Limited received £3,038 by the way of distributions (2019: £1,017) and realised net gain of £718 (2019: £992).

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 2020 £3,319 (2019: £3,077) is due from Doughty Hanson & Co V Limited. As at 31 December 2020 £3,581 (2019: £6,507) is due to DHCT II Limited. These balances are interest free and repayable on demand.

Doughty Hanson & Co V Limited

Notes to the Financial Statements for the year ended 31 December 2020

13 Financial instruments

| | Group | | Parent Company | |
|--------------------------------------------------------------------------|----------|------------|----------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Financial assets measured at fair value through profit & loss | | | | |
| Investments in Limited Partnerships | 5 | 7 | - | - |
| Other Investments | - | 261 | - | 261 |
| | <u>5</u> | <u>268</u> | <u>-</u> | <u>261</u> |
| Financial assets measured at amortised cost | | | | |
| Amounts owed by related undertaking | 3 | 3 | 3 | - |
| | <u>3</u> | <u>3</u> | <u>3</u> | <u>-</u> |
| Financial liabilities measured at amortised cost | | | | |
| Amounts owed to fellow subsidiary undertakings | 4 | 8 | 3 | - |
| | <u>4</u> | <u>8</u> | <u>3</u> | <u>-</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.