

DOUGHTY HANSON & CO V BRIDGECO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 DECEMBER 2017



Registered In England & Wales No. 06019290
Registered address 45 Pall Mall, London, SW1Y 5JG

DOUGHTY HANSON & CO V BRIDGECO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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DOUGHTY HANSON & CO V BRIDGECO LIMITED

Directors' Report

The Directors present their Report to the members together with the audited Financial Statements for the year ended 31 December 2017.

Business review

The principal activity of the Company is to arrange and provide bridging finance for use in investments undertaken by the two limited partnerships forming Doughty Hanson & Co V ("the Fund").

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.

Strategic Report

The Company qualifies as a small company in accordance with the Companies Act 2006 and as such a 'Strategic Report' has not been included within these Financial Statements.

Results and dividends

The results for the year are set out in the profit and loss account on page 8. The Directors do not recommend the payment of a dividend for the year (2016: £nil). Given the nature of the Company's business the Directors are satisfied with the financial position of the Company.

Liability insurance

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

R. P. Hanson
R. N. Lund
G. D. Stening

DOUGHTY HANSON & CO V BRIDGECO 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 Financial Statements in accordance applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

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.

On behalf of the Board:



R. N. Lund
Director
22 March 2018

Registered Office:
45 Pall Mall
London
SW1Y 5JG

DOUGHTY HANSON & CO V BRIDGECO LIMITED

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

Report on the audit of the financial statements

Opinion

In our opinion, Doughty Hanson & Co V Bridgeco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result 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 Balance Sheet as at 31 December 2017; the Profit and Loss Account and the Statement 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 company 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 when:

- 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 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 company's ability to continue as a going concern.

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.

DOUGHTY HANSON & CO V BRIDGECO LIMITED

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

Reporting on other information (continued)

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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the 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 set out on page 4, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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. This description forms part of our auditors' report.

DOUGHTY HANSON & CO V BRIDGECO LIMITED

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's member 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

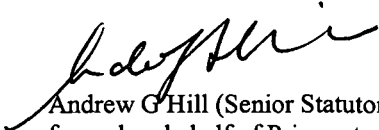
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Andrew G Hill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 March 2018

DOUGHTY HANSON & CO V BRIDGECO LIMITED
Registered In England & Wales No. 06019290

Profit and Loss Account for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Turnover	2	572	574
Administrative expenses		(572)	(574)
Result before taxation	3	-	-
Taxation	5	—	—
Result for the financial year		==	==

The Company has no recognised comprehensive income other than the results as stated above. All comprehensive income is attributable to the parent.

DOUGHTY HANSON & CO V BRIDGECO LIMITED
Registered In England & Wales No. 06019290

Balance Sheet as at 31 December 2017

	Note	2017 £'000	2016 £'000
Current assets			
Debtors	7	23,998	23,692
Creditors: amounts falling due within one year	8	<u>(23,998)</u>	<u>(23,692)</u>
Net assets		<u> -</u>	<u> -</u>
Capital and Reserves			
Called up share capital	9	-	-
Profit and loss account		<u> -</u>	<u> -</u>
Total shareholders' funds		<u> -</u>	<u> -</u>

The Financial Statements on pages 8 to 15 were approved by the Board of Directors on 22 March 2018 and were signed on its behalf by:



R. N. Lund
Director

DOUGHTY HANSON & CO V BRIDGECO LIMITED
Registered In England & Wales No. 06019290

Statement of Changes in Equity

For the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
As at 1 January 2016	100	-	100
Result for the financial year	—	—	—
As at 31 December 2016	100	-	100
Result for the financial year	—	—	—
As at 31 December 2017	<u>100</u>	<u>—</u>	<u>100</u>

DOUGHTY HANSON & CO V BRIDGECO LIMITED

Notes to the Financial Statements for the year ended 31 December 2017

1 Accounting Policies

General information

The principal activity of the Company is to arrange and provide bridging finance for use in investments undertaken by the two limited partnerships forming Doughty Hanson & Co V ("the Fund").

The Company is a private company limited by shares and is incorporated in England & Wales, registration number 06019290.

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 Company's business.

Revenue Recognition

Fee income, which excludes value added tax, represents the value of services supplied accounted for on an accruals basis.

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.

Loans

The principal activity of the Company 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 the Fund. 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 the Fund the liability and corresponding debtor from the Fund is recognised on the Company's balance sheet. On all loans relating to bridging finance taken out by the Fund, interest receivable is presented as turnover and interest payable is presented as administrative expenses.

DOUGHTY HANSON & CO V BRIDGECO LIMITED

Notes to the Financial Statements for the year ended 31 December 2017

2 Turnover

Turnover represents interest receivable on bridging finance for use in investments undertaken by the two limited partnerships forming Doughty Hanson & Co V.

During the year loans were outstanding relating to ASCO and LM, portfolio companies in the Fund. The loans in relation to ASCO and LM were reflected in the Balance Sheet of the Company, during the period for which they were outstanding, as they were drawn down in order to provide financing for a short-term financing requirement pending an exit or refinancing of the portfolio company. Loans relating to LM were repaid on 24 April 2017.

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

3 Result before taxation

The Company's fee payable for the audit for the year ended 31 December 2017 is £1,025 (2016: £1,000). This fee is met by a fellow subsidiary undertaking, Doughty Hanson & Co Managers Limited, and is not recharged to the Company.

4 Employee information

There were no employees of the Company during the year (2016: nil).

5 Taxation

There is no taxable income in the company for the current or previous year and there will not be any for the foreseeable future.

6 Directors' emoluments

The emoluments of the Directors are paid by the parent company or a fellow subsidiary which makes no recharge to the Company. The Directors are also directors of the parent company and a number of fellow subsidiaries and for disclosure purposes an apportionment of Directors' emoluments is made to each company in the Group based on services provided. The services provided to the Company are deemed to be immaterial in the context of Directors' emoluments as a whole and therefore the above details include no emoluments in respect of the Directors.

7 Debtors

	2017 £'000	2016 £'000
Short term loan	<u>23,998</u>	<u>23,692</u>
	<u>23,998</u>	<u>23,692</u>

DOUGHTY HANSON & CO V BRIDGECO LIMITED

Notes to the Financial Statements for the year ended 31 December 2017

7 Debtors (continued)

As at 31 December 2017, a short term loan of £23,997,967 (2016: £23,432,897) 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 short-term financing for ASCO pending a full refinancing or exit of the portfolio company. Interest is chargeable on this loan at EURIBOR +2.25% from 31 October 2017 (previous to this at EURIBOR +2% from 29 April 2016, previous to this at EURIBOR +1.85%) on a 3 month interest period. The loan expires on 30 April 2019.

As at 31 December 2017, a short term loan of £nil (2016: £258,793) was outstanding in relation to LM, a portfolio company in Doughty Hanson & Co V. This loan was drawn down in order to provide short-term financing for LM pending exit of the portfolio company and was repaid on 24 April 2017. Interest was chargeable on this loan at EURIBOR +2% on a 3 month interest period.

Amounts owed of £100 (2016: £100) by group undertaking, Doughty Hanson & Co V Limited are interest free and payable on demand.

8 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Short term loan	<u>23,998</u>	<u>23,692</u>

As at 31 December 2017, a short term loan of £23,997,967 (2016: £23,432,897) 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 short-term financing for ASCO pending a full refinancing or exit of the portfolio company. Interest is chargeable on this loan at EURIBOR +2.25% from 31 October 2017 (previous to this at EURIBOR +2% from 29 April 2016, previous to this at EURIBOR +1.85%) on a 3 month interest period. The loan expires on 30 April 2019.

As at 31 December 2017, a short term loan of £nil (2016: £258,793) was outstanding in relation to LM, a portfolio company in Doughty Hanson & Co V. This loan was drawn down in order to provide short-term financing for LM pending exit of the portfolio company and was repaid on 24 April 2017. Interest was chargeable on this loan at EURIBOR +2% on a 3 month interest period.

9 Called up share capital

	2017 £	2016 £
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and issued		
1 Ordinary Share of £1 each	<u>100</u>	<u>100</u>

DOUGHTY HANSON & CO V BRIDGECO LIMITED

Notes to the Financial Statements for the year ended 31 December 2017

10 Cash Flow

There were no cash flows for the year ended 31 December 2017 (2016: £nil).

There are no cash movements in relation to the arrangement of bridging finance. Cash in relation to short term bridging loans, including the £23,997,967 outstanding as at 31 December 2017 (2016: £23,691,690) is settled directly between the bank and Doughty Hanson & Co V. All interest payments are made by Doughty Hanson & Co V directly to the bank (see note 1).

All other payments are made by a fellow subsidiary undertaking and settled via an intercompany payable. All other receipts are also received by a fellow subsidiary undertaking and settled via an intercompany receivable.

11 Ultimate parent company

The ultimate parent undertaking is DHC Limited, which is the parent undertaking of the 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 subsidiaries are subject to taxation in Germany, USA and Italy. The financial statements of DHC Limited are not publically available.

The smallest group to consolidate these Financial Statements is Doughty Hanson & Co V Limited, registered in England and Wales.

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.

Key management services are provided by DHC Limited.

12 Related party transactions

The principal activity of the Company is to arrange and provide finance for use in investments undertaken by the two limited partnerships forming Doughty Hanson & Co V. Any bridging finance arranged for the Fund is guaranteed and repaid by Doughty Hanson & Co V. The Company received no fees for its services in the year (2016: £nil). Interest payable of £571,726 (2016: £573,569) in relation to loans arranged during the year was matched by interest receivable in full from the Fund.

At 31 December 2017 a balance of £100 (2016: £100) was owed by Doughty Hanson & Co V Limited.

13 Financial Instruments

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Financial assets measured at amortised cost				
Amount owed by fellow subsidiary undertakings	<u>23,998</u>	<u>23,998</u>	<u>23,692</u>	<u>23,692</u>
Financial liabilities measured at amortised cost				
Amount due to fellow subsidiary undertakings	<u>(23,998)</u>	<u>(23,998)</u>	<u>(23,692)</u>	<u>(23,692)</u>

DOUGHTY HANSON & CO V BRIDGECO LIMITED

Notes to the Financial Statements for the year ended 31 December 2017

13 Financial Instruments (continued)

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 spread across a number of different markets and sectors; hence diversification reduces the market risk in the investment portfolio. Levels of leverage in the investment portfolio companies are relatively conservative in order that market risk is not excessively magnified for the instruments held by the Company.

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 review by the respective investment committees.