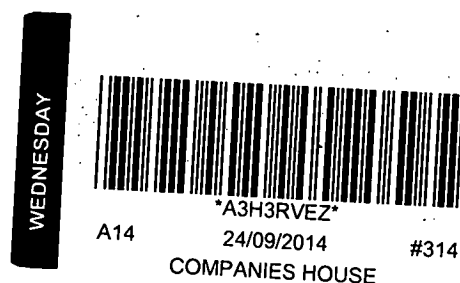


DOUGHTY HANSON & CO IV LIMITED

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

31 DECEMBER 2013



Registered in England and Wales No. 04645557

Doughty Hanson & Co IV Limited

Annual Report and Financial Statements for the year ended 31 December 2013

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Doughty Hanson & Co IV Limited

Strategic Report

Business review

The principal activity of the Parent Company Doughty Hanson & Co IV Limited is, and will continue to be, to act as General Partner of the four Limited Partnerships forming Doughty Hanson & Co IV (the "Fund"). The principal activity of Doughty Hanson & Co IV Bridgeco Limited, a subsidiary undertaking consolidated in these Financial Statements, is to provide bridging finance for use in investments made by the Fund.

Despite the challenges presented by the current financial and economic outlook, the performance of the Company and the funds that it operates have remained resilient. Doughty Hanson & Co.'s Annual Review, published in April 2013 and available via www.doughtyhanson.com, outlines activities throughout the various portfolios of investments and again emphasises the focus on developing long-term sustainable businesses and assets.

Given the nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Performance and position

The results for the year are set out in the profit and loss account on page 9. The Group's profit for the financial year is £6,993,500 (2012: £5,208,000). No dividend was paid or proposed.

No dividend was paid or proposed.

The Company's net assets at 31 December 2013 are £19,032,881 (2012: £12,039,438). The Directors are satisfied with the position of the Company.

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

Legal and regulatory risk

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

Strategic Report (continued)

Operational risk

This includes personnel risk, IT risk, and business disruption. These risks are mitigated by the recruitment and retention of suitably qualified staff with remuneration set at an appropriate level, use of appropriate Directors and Officers insurance and business continuity provisions.

By order of the Board:

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

R. N. Lund
Director
3 April 2014

Registered Office:
45 Pall Mall
London
SW1Y 5JG

Doughty Hanson & Co IV 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 2013.

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.

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

Doughty Hanson & Co IV Limited

Directors' Report (continued)

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company 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.

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board:



R. N. Lund
Director
3 April 2014

Registered Office:
45 Pall Mall
London
SW1Y 5JG

Doughty Hanson & Co IV Limited

Independent Auditors' Report to the member of Doughty Hanson & Co IV Limited

Report on the Financial Statements

Our opinion

In our opinion the Financial Statements, defined below:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2013 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group Financial Statements and Parent Company Financial Statements (the "Financial Statements"), which are prepared by Doughty Hanson & Co IV Limited, comprise:

- the Group and Parent Company balance sheet as at 31 December 2013;
- the Group profit and loss account for the year then ended;
- the Group cash flow statement for the year then ended;
- the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

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

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

What an audit of Financial Statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Financial Statements.

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

Opinion on other matter prescribed by the Companies Act 2006

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

Doughty Hanson & Co IV Limited

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 5-6, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Graham Phillips (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 April 2014

Doughty Hanson & Co IV Limited
Registered in England and Wales No. 04645557

Consolidated Profit and Loss Account

For the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Continuing Operations			
Turnover			
Income from Limited Partnerships	2	8,090	8,370
Administrative expenses		<u>(6,072)</u>	<u>(6,342)</u>
Operating profit	3	2,018	2,028
Interest receivable and similar income		9	12
Interest Payable and similar charges		(9)	(12)
Profit on ordinary activities before taxation		2,018	2,028
Tax on profit of ordinary activities	6	<u>4,976</u>	<u>3,180</u>
Profit for the financial year	14	<u>6,994</u>	<u>5,208</u>

The Company has no recognised gains and losses other than that shown above and therefore no separate statement of recognised gains and losses has been prepared.

There is no difference between either profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

In accordance with the exemption allowed by section 408 of the Companies Act 2006, the Parent Company has not prepared its own Profit and Loss Account. There is no difference between the profit for the financial year stated above and that which is attributable to the Parent Company.

Doughty Hanson & Co IV Limited
Registered in England and Wales No. 04645557

Parent Company Balance Sheet as at 31 December 2013

	Notes	2013	2012
		£'000	£'000
Fixed assets			
Investments	7	<u>7</u>	<u>7</u>
Current assets			
Debtors	8	19,166	17,100
Cash at bank and in hand		<u>-</u>	<u>-</u>
		19,166	17,100
Current liabilities			
Creditors: amounts falling due within one year	9	<u>(140)</u>	<u>(92)</u>
Net current assets		<u>19,026</u>	<u>17,008</u>
Total assets less current liabilities		<u>19,033</u>	17,015
Provisions for liabilities and charges	10	<u>-</u>	<u>(4,976)</u>
Net assets		<u>19,033</u>	<u>12,039</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	13	<u>19,033</u>	<u>12,039</u>
Total shareholder's funds	14	<u>19,033</u>	<u>12,039</u>

The Financial Statements on pages 9 to 19 were approved by the board of Directors on 3 April 2014 and were signed on its behalf by:



R. N. Lund
Director

Doughty Hanson & Co IV Limited
Registered in England and Wales No. 04645557

Consolidated Balance Sheet as at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	7	<u>7</u>	<u>7</u>
Current assets			
Debtors	8	25,002	17,100
Cash at bank and in hand		<u>-</u>	<u>-</u>
		25,002	17,100
Current liabilities			
Creditors: amounts falling due within one year	9	<u>(5,976)</u>	<u>(92)</u>
Net current assets		<u>19,026</u>	<u>17,008</u>
Total assets less current liabilities		19,033	17,015
Provisions for liabilities and charges	10	<u>-</u>	<u>(4,976)</u>
Net assets		<u>19,033</u>	<u>12,039</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	13	<u>19,033</u>	<u>12,039</u>
Total shareholder's funds	14	<u>19,033</u>	<u>12,039</u>

The Financial Statements on pages 9 to 19 were approved by the board of Directors on 3 April 2014 and were signed on its behalf by:



R. N. Lund
Director

Doughty Hanson & Co IV Limited
Registered in England and Wales No. 04645557

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from continuing operating activities	15	-	-
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		—	—
Net cash inflow from investments and servicing of finance		—	—
Taxation			
Corporation tax refunded		-	-
Corporation tax paid		—	—
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		-	-
Payments to acquire fixed asset investments		-	-
Receipts from disposals of fixed asset investments		-	-
Net cash outflow from investing activities		—	—
Equity dividends paid			
UK dividends paid		—	—
Net cash inflow before use of liquid resources and financing		-	-
Management of liquid resources			
Increase in short term deposits with banks		—	—
Financing			
Increase in borrowings		—	—
		—	—
Movement in net cash	16	—	—

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

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

1 Accounting policies

Basis of accounting

These Financial Statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Accounting Standards. The principal accounting policies which have been applied consistently are set out below.

The headings and formats adopted in the profit and loss account have been adapted from those specified in the Companies Act 2006 as, in the opinion of the Directors, those adopted more appropriately reflect the nature of the Company's business.

Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Parent Company and of its subsidiary undertaking Doughty Hanson & Co IV Bridgeco Limited. The consolidation is prepared using the acquisition method of accounting.

Fixed asset investments

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

Limited Partnerships and Investments

As at 31 December 2013, the Company managed four private equity Limited Partnerships in which it has a small participating interest, and for which it acts as the General Partner. Investments held through the Limited Partnerships are made with the express intention of capital appreciation.

Through the investments in the Limited Partnerships, the investee companies held by the Limited Partnerships could be considered technically to be subsidiaries. However, investments held by the Fund are not included in the Company Financial Statements since there are severe long term restrictions over the rights of the General Partner in relation to the Limited Partnerships.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is measured at the enacted tax rate for the year ended 31 December 2014. This is due to uncertainty over when timing differences will reverse. Deferred tax assets and liabilities recognised have not been discounted.

Income recognition

Partnership income is recognised as earned in accordance with the Limited Partnership Agreements from the date of signing the individual Limited Partnership Agreements.

Preferential drawings

Preferential drawings received are taxed when sufficient income and capital receipts are earned in the underlying Limited Partnerships of which the Company acts as General Partner. This timing difference gives rise to a deferred tax liability.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. 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.

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

1 Accounting policies (continued)

Loans

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

2 Turnover

All turnover is generated in the UK through management of alternative investment funds.

Income from Limited Partnerships represents preferential drawings and carried interest from the four Limited Partnerships constituting Doughty Hanson & Co IV.

	2013	2012
	£'000	£'000
Income from Limited Partnerships	<u>8,090</u>	<u>8,370</u>

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

	2013	2012
	£'000	£'000
Services provided by the Company's auditor:		
Fees payable for the audit of the Parent Company and Consolidated Financial Statements	18	17
Fees payable for the audit of the Subsidiaries pursuant to legislation	1	1
Fees payable for other services – tax advisory	1	(1)
Management fee charged by Doughty Hanson & Co Managers Limited	6,053	6,083

4 Employee information

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

5 Directors' emoluments

	2013	2012
	£'000	£'000
Directors' emoluments (excluding pension contributions)	76	61
Pension contributions	<u>2</u>	<u>2</u>
	<u>78</u>	<u>63</u>

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

5 Directors' emoluments (continued)

As at 31 December 2013 retirement benefits are accruing under defined contribution schemes for 2 Directors (2012: 2 Directors).

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/or a number of fellow subsidiaries and for disclosure purposes an apportionment of Directors' emoluments is made to the Company based on services provided.

6 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax:		
UK Corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax (note 10):		
Current year losses	(1,151)	-
Brought forward losses utilised	-	4,713
Short term timing differences	1,721	(4,493)
Effect of foreign exchange movements	(17)	(307)
Effect of change in tax rate	167	(510)
Unutilised tax losses	2,046	-
Adjustments in respect of prior years	(7,742)	(2,583)
Total deferred tax	(4,976)	(3,180)
Tax credit on profit on ordinary activities	(4,976)	(3,180)

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>2,018</u>	<u>2,028</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 23.25% (2012: 24.5%).	469	497
Unutilised losses	1,151	-
Brought forward losses utilised	-	(4,713)
Group relief surrendered (claimed)	101	(277)
Short term timing differences	(1,721)	4,493
Current tax charge for the year	=====-	=====-

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

6 Tax on profit on ordinary activities (continued)

The standard rate of Corporation Tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 23.25%. The overall tax charge for the year reflects a reduction in the deferred tax liabilities since the anticipated timing differences are now considered not likely to occur.

The Company has experienced tax timing differences that would result in a deferred tax asset of £2,046,111 at the balance sheet date. However this deferred tax asset has not been recognised as due to the nature of the investments held by the Company, future taxable profits cannot be assured.

7 Fixed asset investments

	Company & Group 2013 £'000	Company & Group 2012 £'000
Investments	<u>7</u>	<u>7</u>

Investments represents a 1.519% shareholding in Woodyard Limited, the Special Limited Partner in Doughty Hanson & Co IV.

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:

Doughty Hanson & Co IV Bridgeco Limited

A company incorporated in England and Wales which arranges bridging finance for use in investments undertaken by Doughty Hanson & Co IV.

The Company owned 100% of the following subsidiary during the year. This subsidiary is not consolidated as it is considered immaterial:

Doughty Hanson IV Breskens Bridgeco Limited, a company incorporated in England and Wales. Currently this company is dormant.

The Company has four wholly owned subsidiaries which act as nominees for the four Limited Partnerships constituting Doughty Hanson & Co IV. These subsidiaries are as follows:

Doughty Hanson & Co IV Nominees One Limited, a company incorporated in England and Wales.
Doughty Hanson & Co IV Nominees Two Limited, a company incorporated in England and Wales.
Doughty Hanson & Co IV Nominees Three Limited, a company incorporated in England and Wales.
Doughty Hanson & Co IV Nominees Four Limited, a company incorporated in England and Wales.

The above nominee companies hold, as nominee, interests in a number of companies for the beneficial ownership of the Limited Partnerships of Doughty Hanson & Co IV together with the co-investment vehicles (collectively "Fund IV").

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 IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

8 Debtors

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Amounts owed by fellow subsidiary undertakings	19,060	19,060	16,433	16,433
Short term loan	5,836	-	-	-
Amount due from related undertaking	103	103	667	667
Other debtors	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u>25,002</u>	<u>19,166</u>	<u>17,100</u>	<u>17,100</u>

A short term loan of £5,836,225 is outstanding in relation to TV3, a portfolio company in Doughty Hanson & Co IV. This loan is reflected in the Balance Sheet of the Company as it was drawn down to cover a short term funding requirement pending a refinancing of the portfolio company.

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

9 Creditors: amounts falling due within one year

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Accruals and deferred income	140	140	92	92
Short Term Loan	<u>5,836</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,976</u>	<u>140</u>	<u>92</u>	<u>92</u>

A short term loan of £5,836,225 is outstanding in relation to TV3, a portfolio company in Doughty Hanson & Co IV. This loan is reflected in the Balance Sheet of the Company as it was drawn down to cover a short term funding requirement pending a refinancing of the portfolio company.

10 Provisions for liabilities and charges

	Company & Group 2013 £'000	Company & Group 2012 £'000
Deferred tax		
Balance at 1 January	4,976	8,156
Profit and loss account	<u>(4,976)</u>	<u>(3,180)</u>
Balance at 31 December	<u>-</u>	<u>4,976</u>

	2013 £'000	2012 £'000
Deferred tax provided in the Financial Statements is as follows:		
Short term timing differences	<u>-</u>	<u>4,976</u>

The Company has tax timing differences that result in a deferred tax asset of £2,046,111 at the balance sheet date. However, this deferred tax asset has not been recognised due to the nature of the investments held by the Company, future taxable profits cannot be assured.

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

11 Share capital

	Company 2013 £	Company 2012 £
Authorised		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and issued		
1 Ordinary Share of £1 each	<u>1</u>	<u>1</u>

12 Ultimate parent company

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

13 Profit and loss account

	Company & Group 2013 £'000	Company & Group 2012 £'000
Opening profit and loss account	12,039	6,831
Profit for the financial year	<u>6,994</u>	<u>5,208</u>
Closing profit and loss account	<u>19,033</u>	<u>12,039</u>

14 Reconciliation of movements in shareholder's funds

	Company & Group 2013 £'000	Company & Group 2012 £'000
Opening shareholder's funds	12,039	6,831
Profit for the financial year	<u>6,994</u>	<u>5,208</u>
Closing shareholder's funds	<u>19,033</u>	<u>12,039</u>

Doughty Hanson & Co IV Limited

Notes to the Financial Statements for the year ended 31 December 2013

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

	Company & Group 2013 £'000	Company & Group 2012 £'000
Operating profit	2,018	2,028
Increase in debtors	(2,066)	(2,039)
Increase creditors, accruals and deferred income	<u>48</u>	<u>11</u>
Net cash inflow from operating activities	<u>=</u>	<u>=</u>

16 Reconciliation to net cash

	2013 £'000	2012 £'000
Net cash at 1 January	-	-
Movement in net cash	<u>-</u>	<u>-</u>
Net cash at 31 December	<u>=</u>	<u>=</u>

17 Reconciliation of movement in net cash

	At 1 January 2013 £'000	Cash Flow £'000	At 31 December 2013 £'000
Cash at bank and in hand	<u>-</u>	<u>-</u>	<u>-</u>
	<u>=</u>	<u>=</u>	<u>=</u>

18 Related parties

The Company is the General Partner in the four Limited Partnerships constituting Doughty Hanson & Co IV (the "Fund"). This entitles the Company to a share of income and capital distributions made in accordance with the Limited Partnership agreements. During the year, the Company received £8,090,019 by way of preferential drawings (2012: £8,369,837)

The Company settles expenses on behalf of the Fund and recharges these to the Fund. During the year £841,238 (2012: £1,234,964) has been recharged in relation to such expenses and at 31 December 2013 £102,563 (2012: £666,919) was due from the Fund.

A management fee for the year of £6,053,531 (2012: £6,083,074) is payable by the Company to Doughty Hanson & Co Managers Limited in respect of the provision of investment management services relating to the Fund. This balance is not specifically settled and becomes part of the ongoing intercompany trading balance between the two group entities on which no interest is payable. At 31 December 2013 a balance of £19,059,863 (2012: £16,432,665) was due from Doughty Hanson & Co Managers Limited.