

DOUGHTY HANSON & CO IV LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2004**



Registered in England No. 4645557

Doughty Hanson & Co IV Limited

Annual Report and Financial Statements for the year ended 31 December 2004

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Doughty Hanson & Co IV Limited

Report of the Directors

The Directors present their Report to the member together with the audited financial statements for the year ended 31 December 2004 which were approved by them on 27 April 2005.

Business review

The principal activity of the Company is, and will continue to be, to act as General Partner for Doughty Hanson & Co IV.

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend for the year (2003 - £nil).

Liability insurance

The Company has professional indemnity insurance in place in respect of the duties of the Directors and Officers.

Directors

The Directors of the Company who served during the year were as follows:

	Appointed	Resigned
N. E. Doughty	24 March 2003	-
R. P. Hanson	24 March 2003	-
C. J. Wallis (alternate to N. E. Doughty)	24 March 2003	-
M. Lever	24 March 2003	-

Interests of Directors

The interests of the Directors in office at 31 December 2004 and 31 December 2003 in the share capital of Doughty Hanson & Co. Limited, the ultimate parent company, all of which are fully paid, were as follows:

Director		2004		2003	
		Ordinary £1 Shares	Participating £0.50 Shares	Ordinary £1 Shares	Participating £0.50 Shares
N. E. Doughty	Ordinary 'A' Shares	6,667	65,280	6,667	65,280
R. P. Hanson	Ordinary 'B' Shares	3,333	40,800	3,333	40,800
C. J. Wallis		-	1	-	1
M. Lever		-	-	-	-

Independent Auditors

PricewaterhouseCoopers LLP have been appointed as the auditors of the Company and have signified their willingness to continue in office. In accordance with Section 385 of the Companies Act 1985, a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

Doughty Hanson & Co IV Limited

Report of the Directors (continued)

Statement of Directors' responsibilities

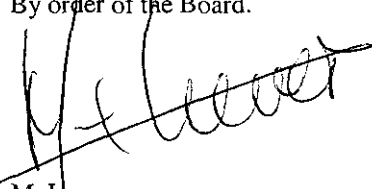
Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The Directors confirm that the financial statements comply with the above requirements.

By order of the Board.



M. Lever
Director
27 April 2005

Registered Office:
45 Pall Mall
London
SW1Y 5JG

Doughty Hanson & Co IV Limited

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

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
27 April 2005

Doughty Hanson & Co IV Limited

Profit and Loss Account

For the year ended 31 December 2004

	Notes	2004 £'000	2003(11months) £'000
Turnover - continuing operations			
Income from Limited Partnerships	2	8,734	2,602
Administrative expenses		<u>(8,322)</u>	<u>(2,573)</u>
Operating profit - continuing operations		412	29
Interest receivable and similar income		<u>53</u>	<u>5</u>
Profit on ordinary activities before taxation	3	465	34
Taxation	6	<u>(136)</u>	<u>(10)</u>
Profit on ordinary activities after taxation	12	329	24
Retained profit brought forward		<u>24</u>	<u>-</u>
Retained profit carried forward		<u>353</u>	<u>24</u>

The Company has no recognised gains and losses other than the profits 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 retained profit for the year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form an integral part of these financial statements.

Doughty Hanson & Co IV Limited

Balance Sheet as at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed Assets			
Investments	7	<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	8	3,331	338
Cash at bank and in hand		<u>2,780</u>	<u>2,759</u>
		6,111	3,097
Creditors: amounts falling due within one year	9	<u>(2,888)</u>	<u>(2,641)</u>
Net current assets		<u>3,223</u>	<u>456</u>
Total assets less current liabilities		3,224	457
Provisions for liabilities and charges	10	<u>(2,871)</u>	<u>(433)</u>
Total assets less total liabilities		<u>353</u>	<u>24</u>
Capital and reserves			
Called-up share capital	11	-	-
Profit and loss account		<u>353</u>	<u>24</u>
Shareholder's funds - equity	12	<u>353</u>	<u>24</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

The financial statements on pages 6 to 12 were approved by the board of directors on 27 April 2005 and were signed on its behalf by:


M. Lever
Director

Doughty Hanson & Co IV Limited

Notes to the financial statements for the year ended 31 December 2004

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom.

A summary of the more important Company accounting policies which have been applied consistently is set out below.

The headings and formats adopted in the profit and loss account have been adapted from those specified in the Companies Act 1985 as, in the opinion of the Directors, those adopted more appropriately reflect the nature of the Company's business.

Fixed asset investments

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

Limited Partnerships and Investments

As at 31 December 2004, the Company managed four venture capital 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 subsidiaries and such investee companies are listed in note 7.

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 assets and liabilities recognised have not been discounted.

Income recognition

Partnership income is recognised from the date of signing the individual 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.

Doughty Hanson & Co IV Limited

Notes to the financial statements for the year ended 31 December 2004

1 Accounting policies (continued)

Deferred income

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

Organisational Expenses

Costs incurred in establishing funds are reimbursed by the Limited Partners of Doughty Hanson & Co IV. In accordance with the Limited Partnership Agreement, this reimbursement is limited to €2.5million.

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.

2 Turnover

Income from Limited Partnerships represents preferential drawings due and organisational expenses reimbursable from the four Limited Partnerships constituting Doughty Hanson & Co IV.

	2004 £'000	2003 £'000
Preferential drawings	8,002	1,573
Organisational expenses reimbursable	<u>732</u>	<u>1,029</u>
	<u>8,734</u>	<u>2,602</u>

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

	2004 £'000	2003 £'000
Remuneration of auditors - audit services	12	8
Remuneration of auditors – other services	100	283
Organisational expenses incurred during the year	410	1,720
Management fee charged by Doughty Hanson & Co Managers Limited	7,840	562

4 Employee information

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

5 Directors' emoluments

No directors received emoluments during the year.

Doughty Hanson & Co IV Limited

Notes to the financial statements for the year ended 31 December 2004

6 Taxation

	2004 £'000	2003 £'000
Current tax:		
Group relief receivable from fellow subsidiary undertakings	(2,261)	(423)
Adjustments in respect of prior years	<u>(41)</u>	<u>-</u>
	(2,302)	(423)
Deferred tax (note 10):		
Short term timing differences	2,401	471
Adjustments in respect of prior years	<u>37</u>	<u>(38)</u>
	2,438	433
Tax on profit on ordinary activities	<u>136</u>	<u>10</u>

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 30% (2003 – 30%). The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	<u>465</u>	<u>34</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (2003 – 30%)	140	10
Short term timing differences	(2,401)	(471)
Adjustments in respect of prior years	<u>(41)</u>	<u>38</u>
Current tax credit for the year	<u>(2,302)</u>	<u>(423)</u>

7 Fixed asset investments

	2004 £'000	2003 £'000
Investments in Limited Partnerships	<u>1</u>	<u>1</u>

Investments in Limited Partnerships represents the General Partner's capital in the four Limited Partnerships constituting Doughty Hanson & Co IV.

The Company also 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.
- Doughty Hanson & Co IV Nominees Two Limited, a company incorporated in England.
- Doughty Hanson & Co IV Nominees Three Limited, a company incorporated in England.
- Doughty Hanson & Co IV Nominees Four Limited, a company incorporated in England.

Doughty Hanson & Co IV Limited

Notes to the financial statements for the year ended 31 December 2004

7 Fixed asset investments (continued)

In accordance with the exemptions available under section 228 of the Companies Act 1985, the Company has not prepared consolidated financial statements. These companies are as follows:

Saft Luxembourg S.a.r.l

This company is registered in Luxembourg and is the holding company of a group that is a market-leading manufacturer of high-end batteries for a wide range of industry applications. The Funds hold 82.0% of the Ordinary shares on a fully diluted basis.

Balta Luxembourg S.a.r.l

This company is registered in Luxembourg and is the holding company of a group that is a leading European manufacturer of wall-to-wall carpets and area rugs. The Funds hold 57.2% of the Ordinary shares on a fully diluted basis.

Tumi I, Inc

This company is registered in the United States and is the holding company of a group that is a leading high-end luggage and business accessory brand. The Funds and the Company in aggregate hold 72.2% of the Common stock on a fully diluted basis.

8 Debtors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed by parent and subsidiary undertakings	561	338
Group relief receivable from parent and subsidiary undertakings	2,302	-
Other debtors	<u>468</u>	<u>-</u>
	<u>3,331</u>	<u>338</u>

9 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	2	-
Amounts owing to fellow subsidiary undertakings	2,565	2,255
Accruals and deferred income	<u>321</u>	<u>386</u>
	<u>2,888</u>	<u>2,641</u>

10 Provisions for liabilities and charges

	2004 £'000	2003 £'000
Deferred tax		
Balance at 1 January	433	-
Profit and loss account	<u>2,438</u>	<u>433</u>
Balance	<u>2,871</u>	<u>433</u>

Deferred tax provided in the financial statements is as follows:

	2004 £'000	2003 £'000
Tax effect of timing differences:		
Short term timing differences	2,872	471
Losses	<u>(1)</u>	<u>(38)</u>
Balance	<u>2,871</u>	<u>433</u>

There are no unprovided amounts.

Doughty Hanson & Co IV Limited

Notes to the financial statements for the year ended 31 December 2004

11	Share capital	2004	2003
		£	£
	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>

The Company was incorporated on 23 January 2003 with issued share capital of £1.

12	Reconciliation of movements in shareholder's funds	2004	2003
		£'000	£'000
	Opening shareholder's funds	24	-
	Profit for the year	<u>329</u>	<u>24</u>
	Closing shareholder's funds	<u>353</u>	<u>24</u>

13 Cash flow statement

The company is exempt under FRS 1 (Revised 1996) from the requirement to prepare a cashflow statement.

14 Related parties

The controlling parties are Nigel Doughty and Richard Hanson. The Company has taken advantage of the exemption in Financial Reporting Standard No.8 ("FRS 8") from the requirement to disclose intra group transactions which are defined as related party transactions under FRS 8. The following are other related party transactions:

The Company is the general partner in the four Limited Partnerships constituting Doughty Hanson & Co IV. 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 £8,002,131 by way of preferential drawings (2003 - £1,573,124). Additionally, in accordance with the Limited Partnership agreements, the Company received £732,295 by way of reimbursement of organisational expenses (2003 - £1,029,015). Amounts receivable at 31 December 2004 in relation to organisational expenses were £462,971 (2003 - £Nil).

15 Ultimate parent company

The ultimate parent company is Doughty Hanson & Co Limited. Consolidated financial statements are available from the Company Secretary at 45 Pall Mall, London SW1Y 5JG.