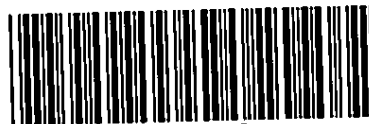


# DOUGHTY HANSON & CO IV LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2006

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COMPANIES HOUSE

Registered in England No 4645557

# Doughty Hanson & Co IV Limited

## Annual Report and Financial Statements for the year ended 31 December 2006

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# Doughty Hanson & Co IV Limited

## Directors' Report

The Directors present their Report to the member together with the audited financial statements for the year ended 31 December 2006 which were approved by them on 18 April 2007

### Business review

The principal activity of the Company is, and will continue to be, to act as General Partner of the four Limited Partnerships forming 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 (2005 - £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	-
M Lever	24 March 2003	-

### Interests of Directors

The interests of the Directors in office at 31 December 2006 and 31 December 2005 in the share capital of Doughty Hanson & Co Limited, the ultimate parent company, all of which are fully paid, were as follows

Director		2006		2005	
		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

### Financial risk management

The Company's operations expose it to certain financial risks The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company

### 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

## 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 United Kingdom 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, in which case there should be supporting assumptions or qualifications as necessary

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper accounting records that 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 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.

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 in his duty 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



M. Lever  
Director  
18 April 2007

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 of Doughty Hanson & Co IV Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 into 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
18 April 2007

# Doughty Hanson & Co IV Limited

## Profit and Loss Account

For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
<b>Turnover - continuing operations</b>			
Income from Limited Partnerships	2	5,723	14,226
Administrative expenses		<u>(4,406)</u>	<u>(10,773)</u>
<b>Operating profit - continuing operations</b>		<b>1,317</b>	<b>3,453</b>
Interest receivable and similar income		<u>142</u>	<u>355</u>
<b>Profit on ordinary activities before taxation</b>	3	<b>1,459</b>	<b>3,808</b>
Taxation	6	<u>(2,305)</u>	<u>(1,309)</u>
<b>(Loss) / profit on ordinary activities for the financial year</b>	12	<u><b>(846)</b></u>	<u><b>2,499</b></u>

The Company has no recognised gains and losses other than the losses 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 loss for the year stated above and their historical cost equivalents

The notes on pages 8 to 13 form an integral part of these financial statements

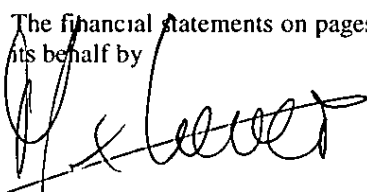
# Doughty Hanson & Co IV Limited

## Balance Sheet as at 31 December 2006

	Notes	2006 £'000	2005 £'000
<b>Fixed assets</b>			
Investments	7	<u>-</u>	<u>2</u>
<b>Current assets</b>			
Debtors	8	3,598	5,107
Cash at bank and in hand		<u>2,047</u>	<u>5,958</u>
		5,645	11,065
<b>Creditors</b> amounts falling due within one year	9	<u>(1,382)</u>	<u>(7,975)</u>
<b>Net current assets</b>		<u>4,263</u>	<u>3,090</u>
<b>Total assets less current liabilities</b>		4,263	3,092
<b>Provisions for liabilities and charges</b>	10	<u>(2,257)</u>	<u>(240)</u>
<b>Net assets</b>		<u>2,006</u>	<u>2,852</u>
<b>Capital and reserves</b>			
Called-up share capital	11	-	-
Profit and loss account		<u>2,006</u>	<u>2,852</u>
<b>Shareholder's funds</b>	12	<u>2,006</u>	<u>2,852</u>

The notes on pages 8 to 13 form an integral part of these financial statements

The financial statements on pages 6 to 13 were approved by the board of Directors on 18 April 2007 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 2006

### 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 2006, 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 to be 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 2006

### 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 from the four Limited Partnerships constituting Doughty Hanson & Co IV

	2006 £'000	2005 £'000
Income from Limited Partnerships	<u>5,723</u>	<u>14,226</u>

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

	2006 £'000	2005 £'000
Remuneration of the auditors		
Statutory audit	14	14
Taxation advisory fees	7	14
Management fee charged by Doughty Hanson & Co Managers Limited	3,951	10,549

### 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 (2005 - £nil)

# Doughty Hanson & Co IV Limited

## Notes to the financial statements for the year ended 31 December 2006

6	<b>Taxation</b>	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
	<b>Current tax</b>		
	UK Corporation tax	-	4,592
	Adjustments in respect of prior years	<u>288</u>	<u>(652)</u>
		288	(3,940)
	<b>Deferred tax (note 10)</b>		
	Short term timing differences	2,368	(3,450)
	Adjustments in respect of prior years	<u>(351)</u>	<u>819</u>
		<u>2,017</u>	<u>(2,631)</u>
	Tax on profit on ordinary activities	<u>2,305</u>	<u>1,309</u>

The tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 30% (2005 – 30%) The differences are explained below

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Profit on ordinary activities before tax	<u>1,459</u>	<u>3,808</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (2005 – 30%)	438	1,142
Group relief surrendered	1,930	-
Short term timing differences	(2,368)	3,450
Adjustments in respect of prior years	<u>288</u>	<u>(652)</u>
Current tax charge for the year	<u>288</u>	<u>3,940</u>

### 7 Fixed asset investments

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Investments	<u>—</u>	<u>2</u>

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 2006

### 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:

#### **DHC Luxembourg IV S.ar.l**

This company is registered in Luxembourg. The Funds hold 100% of the Ordinary shares on a fully diluted basis. This company holds interests in Luxembourg and foreign companies.

#### **Saft Luxembourg S.a.r.l**

This company is registered in Luxembourg. The Funds hold 83.6% of the Ordinary shares on a fully diluted basis. This company holds a minority stake in a market-leading manufacturer of high-end batteries for a wide range of industry applications.

#### **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 72.1% of the Common stock on a fully diluted basis.

#### **Chicago Alpha Limited**

This company is registered in the Isle of Man and is the holding company for a group that is the leading UK, European and global distributor of mobile phone handsets and accessories. The Funds hold 89.5% of the Ordinary shares on a fully diluted basis.

### 8 Debtors

	2006 £'000	2005 £'000
Amounts owed by parent and subsidiary undertakings	3,435	369
Group relief receivable from parent and subsidiary undertakings	-	2,953
Other debtors	<u>163</u>	<u>1,785</u>
	<b><u>3,598</u></b>	<b><u>5,107</u></b>

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

	2006 £'000	2005 £'000
Trade creditors	6	45
Amounts owing to fellow subsidiary undertakings	-	2,022
Corporation tax payable	-	4,592
Accruals and deferred income	<u>1,376</u>	<u>1,316</u>
	<b><u>1,382</u></b>	<b><u>7,975</u></b>

# Doughty Hanson & Co IV Limited

## Notes to the financial statements for the year ended 31 December 2006

**10 Provisions for liabilities and charges**

	2006	2005
<b>Deferred tax</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 January	240	2,871
Profit and loss account	<u>2,017</u>	<u>(2,631)</u>
<b>Balance</b>	<b><u>2,257</u></b>	<b><u>240</u></b>

Deferred tax provided in the financial statements is as follows

	2006	2005
	£'000	£'000
Short term timing differences	2,608	240
Losses	<u>(351)</u>	<u>-</u>
	<b><u>2,257</u></b>	<b><u>240</u></b>

There are no unprovided amounts

**11 Share capital**

	2006	2005
	£	£
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and issued</b>		
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**

	2006	2005
	£'000	£'000
Opening shareholder's funds	2,852	353
(Loss) / profit for the financial year	<u>(846)</u>	<u>2,499</u>
Closing shareholder's funds	<b><u>2,006</u></b>	<b><u>2,852</u></b>

**13 Cash flow statement**

The Company is exempt under FRS 1 (Revised 1996) from the requirement to prepare a cash flow statement

# Doughty Hanson & Co IV Limited

## Notes to the financial statements for the year ended 31 December 2006

### 14 Related parties

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 £5,722,813 by way of preferential drawings (2005 - £14,034,355) and £nil (2005 - £191,188) by way of carried interest.

### 15 Ultimate parent company

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