

**CWB CAPITAL PARTNERS  
(INVESTMENTS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2007**



Registered In England No 2708886

**CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31 DECEMBER 2007**

**CONTENTS**

	<u>Page</u>
Directors' Report	3 - 4
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 12

# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## DIRECTORS' REPORT

The Directors present their Report to the members together with the financial statements for the year ended 31 December 2007 which were approved by them on 9 June 2008

### Principle Activity

The Company acts as Special Limited Partner for the thirteen Limited Partnerships constituting Doughty Hanson & Co Funds II

### Business review

During the year the Company received no distributions. The Directors anticipate that the Company will continue to receive distributions in relation to its interests in the Limited Partnerships constituting Doughty Hanson & Co Funds II

### Results and dividend

The results for the year are set out in the profit and loss account on page 6. The directors propose a dividend of £500,000 (2006 – £2,600,000) for the year ended 31 December 2007. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

### Directors

The Directors of the Company during the year were -

	Appointed	Resigned
N E Doughty	17 07 92	-
P M Bergmann	01 06 06	-
D F M Stileman	20 12 06	21 02 08
M Patterson	21 02 08	-

### 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.

# CWB CAPITAL PARTNERS (INVESTMENTS) 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



Nigel Doughty  
Director  
9 June 2008

Registered Office  
45 Pall Mall  
London  
SW1Y 5JG

# **CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED**

## **Independent Auditors' Report to the members of CWB Capital Partners (Investments) Limited**

We have audited the financial statements of CWB Capital Partners (Investments) Limited for the year ended 31 December 2007 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**

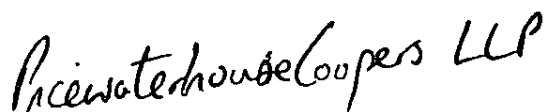
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 and of its profit 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  
Chartered Accountants and Registered Auditors  
London  
9 June 2008

# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £'000	2006 £'000
<b>Turnover</b>			
Income from Limited Partnerships		<u>—</u>	<u>3,305</u>
Administrative expenses		<u>(30)</u>	<u>(37)</u>
<b>Operating (loss) / profit</b>		<b>(30)</b>	<b>3,268</b>
Interest receivable and similar income		<u>13</u>	<u>44</u>
<b>(Loss) / profit on ordinary activities before taxation</b>	2	<b>(17)</b>	<b>3,312</b>
Taxation	5	<u>492</u>	<u>(863)</u>
<b>Profit for the financial year</b>		<b><u>475</u></b>	<b><u>2,449</u></b>

Operating (loss) / profit is derived from continuing activities

The Company has no recognised gains or losses other than the results above and therefore no separate statement of recognised gains or losses has been presented

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

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

# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Investments	7	<u>37</u>	<u>34</u>
<b>Current assets</b>			
Debtors	8	1,284	1,284
Cash and short term deposits		<u>232</u>	<u>633</u>
		1,516	1,917
<b>Creditors</b> amounts falling due within one year	9	<u>(35)</u>	<u>(27)</u>
<b>Net current assets</b>		<u>1,481</u>	<u>1,890</u>
<b>Total Assets less current liabilities</b>		1,518	1,924
<b>Provision for liabilities and charges</b>	10	<u>-</u>	<u>(881)</u>
<b>Net assets</b>		<u>1,518</u>	<u>1,043</u>
<b>Capital and Reserves</b>			
Called-up share capital	11	100	100
Profit and loss account	12	<u>1,418</u>	<u>943</u>
<b>Total shareholders' funds</b>	13	<u>1,518</u>	<u>1,043</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 9 June 2008 and were signed on its behalf by -



N E Doughty  
Director

# **CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

### **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 held at cost less provision, if appropriate, for impairment

#### **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

#### **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

#### **Income recognition**

Partnership income is recognised when earned, in accordance with the limited partnership agreements from the date of signing the individual limited partnership agreements



# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 2 (Loss) / profit on ordinary activities

(Loss) / Profit on ordinary activities before taxation is stated after charging / (crediting)

	2007 £'000	2006 £'000
Remuneration of the auditors		
Statutory audit	4	4
Taxation Advisory Fees	4	7
Exchange (gain) / loss	(3)	1
Management charge payable to Doughty Hanson & Co Managers Limited	24	24

### 3 Directors' emoluments

No Directors received emoluments during the year (2006 - £nil)

### 4 Employee information

There were no employees of the Company during the year (2006 - nil)

### 5 Taxation

	2007 £'000	2006 £'000
<b>Current tax:</b>		
Corporation tax	-	-
Adjustment in respect of prior years	<u>389</u>	<u>(18)</u>
	389	(18)
<b>Deferred tax (note 10)</b>		
Short term timing differences	-	881
Adjustment in respect of prior years	<u>(881)</u>	<u>-</u>
	<u>(881)</u>	<u>881</u>
Tax on profit on ordinary activities	<u>(492)</u>	<u>863</u>

Tax assessed for the year differs from the standard rate of United Kingdom corporation tax of 30% (2006 – 30%) The differences are explained below

	2007	2006
(Loss) / profit on ordinary activities before tax	<u>(17)</u>	<u>3,312</u>
(Loss) / profit on ordinary activities multiplied by the standard rate of Corporation tax in the United Kingdom of 30% (2006 – 30%)	(5)	994
Adjustment in respect of prior years	389	(18)
Short term timing differences	-	(881)
Utilisation of losses	<u>5</u>	<u>(113)</u>
Current tax charge / (credit) for the period	<u>389</u>	<u>(18)</u>

# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 6 Dividends on equity shares

	2007 £'000	2006 £'000
Dividend (2007 £nil, 2006 £26 per share)	<u>—</u>	<u>2,600</u>

### 7 Investments

	2007 £'000	2006 £'000
Interests in Doughty Hanson & Co Funds II	<u>37</u>	<u>34</u>
<b>Reconciliation of movements in investments</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
At 1 January	34	35
Exchange movement - Doughty Hanson & Co Funds II	<u>3</u>	<u>(1)</u>
At 31 December	<u>37</u>	<u>34</u>

### 8 Debtors

	2007 £'000	2006 £'000
Amount due from parent undertaking	<u>1,284</u>	<u>1,284</u>
	<u>1,284</u>	<u>1,284</u>

Amounts due from parent undertakings are repayable on demand and are interest free

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

	2007 £'000	2006 £'000
Accruals and sundry creditors	<u>35</u>	<u>27</u>
	<u>35</u>	<u>27</u>

# CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 10 Provision for liabilities and charges

	2007 £'000	2006 £'000
<b>Deferred tax</b>		
Balance at 1 January	881	-
Profit and loss account	(881)	<u>881</u>
<b>Balance at 31 December</b>	<u>-</u>	<u>881</u>

Deferred tax provided in the financial statements is as follows

	2007 £'000	2006 £'000
Short-term timing differences	<u>-</u>	<u>881</u>

There are no unprovided amounts

### 11 Share capital

	2007 £'000	2006 £'000
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 12 Profit and Loss Reserve

	2007 £'000	2006 £'000
Opening profit and loss reserve	943	1,094
Retained profit / (loss) for the financial year	<u>475</u>	<u>(151)</u>
Closing profit and loss reserve	<u>1,418</u>	<u>943</u>

### 13 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Profit for the financial year	475	2,449
Dividends	-	(2,600)
Retained profit / (loss) for the financial year	<u>475</u>	<u>(151)</u>
Opening shareholders' funds	<u>1,043</u>	<u>1,194</u>
Closing shareholders' funds	<u>1,518</u>	<u>1,043</u>

## **CWB CAPITAL PARTNERS (INVESTMENTS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **14 Cash flow statement**

The Company is exempt under FRS 1 (Revised 1996) from the requirement to prepare a cash flow statement, as the Company is a wholly owned subsidiary of CWB Capital Partners Limited. CWB Capital Partners Limited prepares consolidated accounts in which a consolidated cash flow statement is presented and is publicly available.

#### **15 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. Other related party transactions are as follows:

The Company acts as Special Limited Partner for the thirteen Limited Partnerships constituting Doughty Hanson & Co Funds II. This entitles the Company to a share of income and capital distributions made in accordance with the Limited Partnership agreement. During the year, the Company received £Nil (2006 – £3,304,922) by way of carried interest from Doughty Hanson & Co Funds II.

The Company paid management fees of £23,500 (2006 - £23,500) to Doughty Hanson & Co Managers Limited, a company of which Nigel Doughty is a director.

#### **16 Ultimate parent company**

CWB Capital Partners (Investments) Limited is a wholly owned subsidiary undertaking of CWB Capital Partners Limited registered in England and Wales and the consolidated financial statements are available from Companies House, Crown Way, Cardiff, Wales, CF4 3UZ.

The controlling party is CWB Capital Partners Limited and the ultimate controlling party is Standard Chartered PLC, a company registered in England and Wales. The consolidated financial statements are available from the Company Secretary at 1 Aldermanbury Square, London EC2V 7SB.