Permira Advisers (London) Limited

02853841

Annual Report 31 December 2020

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Permira Advisers (London) Limited

PERMIRA

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Permira Advisers (London) Limited

PERMIRA

Company Information

Directors	Duncan Smith Peter Gibbs
Registered Number	02853841
Registered office	80 Pall Mall London SW1Y 5ES
Secretary	Burness Paull LLP
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Bankers	Royal Bank of Scotland London Corporate SC PO Box 39952 21/2 Devonshire Square London EC2M 4XJ

Strategic Report
for the year ended 31 December 2020

The directors present their Strategic Report on the group financial statements for the year ended 31 December 2020.

Business review and principal activities
Permira Advisers (London) Limited ("the company"), is an investment advisory company incorporated in the UK. The company is authorised by the Financial Conduct Authority to provide investment advisory services and started trading on 29 July 1998. On 18 March 2021 Permira Advisers (London) Limited ceased its authorisation with the FCA. Permira Advisers (London) Limited acts as the parent to various Permira investment advisory entities.

Fair review of the business
The directors do not envisage any change in activities and believe the results of the year to be satisfactory.

Principal risks and uncertainties
The board is responsible for evaluating the company and group's risks and uncertainties. As a service company the specific risks and uncertainties affecting the company relate to its service contract with Permira Advisers LLP and appropriate policies and procedures have been put in place to ensure that such risks are managed accordingly.

The directors have also considered the group's exposure to price, credit, liquidity and cash flow risk but the directors believe that the group does not have any material exposure to these risks and that there are appropriate policies and procedures in place to monitor these and other risks.

The outbreak of COVID-19 has had a significant impact globally. The group is continuing to monitor the impact on its employees and operations, however the directors have a reasonable expectation that the group has adequate resources to continue operational existence and do not anticipate an impact on going concern.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of Permira Advisers (London) Limited must act in accordance with a set of general duties. These duties are set out in s172(1)(a-f) of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

• The likely consequences of any decisions in the long-term;
• The interests of the company's employees;
• The need to foster the company's business relationships with suppliers, customers and others;
• The impact of the company's operations on the community and environment;
• The desirability of the company maintaining a reputation for high standards of business conduct; and
• The need to act fairly as between shareholders of the Company.'

In addition to its responsibilities for evaluating the group's risks and uncertainties, as detailed above, the following paragraphs summarise ways in which the directors fulfil their duties:

Governance and Risk Management
Sound governance arrangements are essential to the proper operation of the group in its activities. In the year the directors continued to monitor the company's governance arrangements and policies, and ensured the group's practices continued to be appropriate for the business it conducts and the manner and locations in which it is conducted.

Culture, Values and Standards
The group is committed to maintaining the highest standards across the range of its activities, and business principles form a key part of the group's commitment to corporate responsibility. Every partner and employee in the group is expected to conduct themselves and their activities in accordance with both the letter and spirit of these principles. The directors continue to monitor adherence to the group code of conduct and business principles.

Community and Environment
The group maintains a sustainability policy including a commitment to compliance with local, national and international legal requirements relating to environmental, health and safety, labour and working conditions and other ESG-related matters. All group entities are encouraged to consider and align with international standards, sector sustainability initiatives and other international guidelines, as appropriate. During the year the directors endorsed the group's decision to develop ESG guidelines for Permira fund portfolio companies, and drive engagement with portfolio companies on ESG issue during the investment period, to understand how they could drive performance improvement, risk mitigation and value creation.

Key Performance Indicators ("KPIs")
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.

On behalf of the board

Duncan Smith, Director
30 June 2021

Directors' Report

for the year ended 31 December 2020

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2020.

Future developments

The directors believe that the group will continue to be profitable in 2021. The group expects to continue to provide investment advisory services.

Results and dividends

The results for the group (Permira Advisers (London) Limited and its subsidiaries) show a total comprehensive income of £14,568,000 (2019: £4,859,000) for the year. During the year the group distributed dividends of £4,026,000 (2019: £3,086,000).

Going Concern

On the basis of their assessment of the group's financial position and resources, the directors believe that the group is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least twelve months from the date of authorisation of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors and Company Secretary

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Peter Gibbs
Duncan Smith

The secretary of the company during the year and up to the date of signing the financial statements was Burness Paull LLP.

Carbon dioxide emissions

The group had an annual turnover of £184m and a total balance sheet value of £35m during the year under review, therefore the Group is required to report on the Streamlined Energy and Carbon Report (SECR).

The aim of the SECR is to gain a better understanding of exposure to the risks of climate change and to capture the link between environmental and financial performance.

We report our carbon emissions following the Green House Protocol (GHG), which incorporates the scope 2 market based emission methodology. We report carbon dioxide emissions resulting from energy use in our buildings and employees' business travel.

The total GHG emissions for 2020 were 1,652 tCO2e (4.75 per FTE). The total energy consumption was 5,892 GWh. The scope of this data covers the UK offices in London operated by the company.

We continue to focus on energy reduction and efficiency projects.

Directors' Report (continued)

for the year ended 31 December 2020

Directors' indemnity
Permira Holdings Limited is the Policyholder for the Permira Group's directors and Officers programme. The policy covers all Directors and Officers of the Policyholder and of the Policyholder's subsidiaries, which includes Permira Advisers (London) Limited. The directors can confirm that the policy has been in place during the year and remains in place at the balance sheet date, and up to the date of approval of the directors' report.

Statement as to disclosure of information to independent auditors
In the case of each director in office at the date that the Directors' Report was approved:
• So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
• each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.
The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statement of engagement with suppliers, customers and others in a business relationship with the Company
The Strategic Report on page 4 and 5 sets out details of the company's values and approach to business conduct.

Independent auditors
PricewaterhouseCoopers LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

On behalf of the board

Duncan Smith, Director

30 June 2021

Statement of Directors' Responsibilities
for the year ended 31 December 2020

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements 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). 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 group and the company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;
• state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
• make judgements and accounting estimates that are reasonable and prudent; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Duncan Smith, Director

30 June 2021

Independent Auditors' Report

to the Members of Permira Advisers (London) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Permira Advisers (London) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2020 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 (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, which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 December 2020; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 group 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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.

Independent Auditors' Report (continued)

to the Members of Permira Advisers (London) Limited

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and 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, 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 group's and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses. Audit procedures performed included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing, and;
- Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics, where any such journal entries were identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Independent Auditors' Report (continued)
to the Members of Permira Advisers (London) Limited

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.

Use of this report

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.

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Richard McGuire

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2021

Permira Advisers (London) Limited

(Registered Number: 02853841)

PERMIRA

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Revenue		**184,088**	140,321
Administrative Expenses		**(171,065)**	(131,265)
Operating profit	6	**13,023**	9,056
Interest receivable and similar income		**79**	8
Interest payable and similar expenses		**(93)**	(9)
Profit before taxation		**13,009**	9,055
Tax on profit	8	**1,596**	(3,428)
Profit for the financial year		**14,605**	5,627
Other comprehensive income/(expense)			
Unrealised foreign exchange gain/(loss) on translation of subsidiaries		**(37)**	(768)
Other comprehensive income/(expense) for the year		**(37)**	(768)
Total comprehensive income for the year		**14,568**	4,859

The results above are all in respect of continuing operations.
The notes on pages 17 to 27 form part of these financial statements.

Permira Advisers (London) Limited
(Registered Number: 02853841)

PERMIRA

Consolidated Statement of Financial Position
as at 31 December 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	9	**14,006**	9,350
Other investments	10	**314**	314
		14,320	9,664
Current assets			
Trade and other receivables: amounts falling due within one year	12	**75,646**	53,843
Trade and other receivables: *amounts falling due after more than one year*	13	**5,892**	2,179
Cash at bank and in hand	2(n)	**29,657**	14,190
		111,195	70,212
Current liabilities			
Trade and other payables: amounts falling due within one year	14	**(81,738)**	(50,604)
Net current assets		**29,457**	19,608
Total assets less current liabilities		**43,777**	29,272
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	15	**(5,174)**	(2,019)
Provisions for liabilities	16	**(2,783)**	(1,975)
Net assets		**35,820**	25,278
Equity			
Called up share capital	18	**50**	50
Capital contribution reserve	18	**2,741**	2,741
Other reserves	18	**(4,791)**	(4,791)
Retained earnings		**37,820**	27,278
Total equity		**35,820**	25,278

The financial statements on pages 12 to 27 were approved by the Board of Directors on 30 June 2021 and were signed on its behalf by:

Duncan Smith, Director

Permira Advisers (London) Limited

(Registered Number: 02853841)

PERMIRA

Company Statement of Financial Position

as at 31 December 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	9	**9,313**	5,011
Investments	11	**7,762**	7,762
		17,075	12,773
Current assets			
Trade and other receivables: amounts falling due within one year	12	**11,011**	9,363
Cash at bank and in hand	2(n)	**2,957**	1,309
		13,968	10,672
Current liabilities			
Trade and other payables: amounts falling due within one year	14	**(9,427)**	(8,670)
Net current assets		**4,541**	2,002
Total assets less current liabilities		**21,616**	14,775
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	15	**(3,210)**	(625)
Provisions for liabilities	16	**-**	(25)
Net assets		**18,406**	14,125
Capital and reserves			
Called up share capital	18	**50**	50
Capital contribution reserve	18	**2,741**	2,741
Retained Earnings		**15,615**	11,334
Total equity		**18,406**	14,125

The financial statements on pages 12 to 27 were approved by the Board of Directors on 30 June 2021.

Duncan Smith, Director

Permira Advisers (London) Limited
(Registered Number: 02853841)

PERMIRA

Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Retained earnings / (Accumulated losses) £000	Other Reserves £000	Total Equity £000
At 1 January 2019	50	5,712	2,741	19,793	(4,791)	23,505
Total comprehensive income for the year	-	-	-	4,859	-	4,859
Share premium (note 18)	-	(5,712)	-	5,712	-	-
Dividends paid (note 18)	-	-	-	(3,086)	-	(3,086)
At 31 December 2019 and 1 January 2020	50	-	2,741	27,278	(4,791)	25,278
Total comprehensive income for the year	-	-	-	14,568	-	14,568
Dividends paid (note 18)	-	-	-	(4,026)	-	(4,026)
At 31 December 2020	50	-	2,741	37,820	(4,791)	35,820

Company Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Retained earnings / (Accumulated losses) £000	Total Equity £000
At 1 January 2019	50	5,712	2,741	418	8,921
Total comprehensive income for the year	-	-	-	8,290	8,290
Share premium (note 18)	-	(5,712)	-	5,712	-
Dividends paid (note 18)	-	-	-	(3,086)	(3,086)
At 31 December 2019 and 1 January 2020	50	-	2,741	11,334	14,125
Total comprehensive income for the year	-	-	-	8,307	8,307
Dividends paid (note 18)	-	-	-	(4,026)	(4,026)
At 31 December 2020	50	-	2,741	15,615	18,406

The notes on pages 17 to 27 form part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Net cash inflow from operating activities	19	**30,209**	10,720
Interest paid		**(93)**	(9)
Taxation paid		**(3,277)**	(2,167)
Net cash inflow after tax from operating activities		**26,839**	8,544
Cash flow from investing activities			
Interest received		**79**	8
Payments to acquire tangible fixed assets		**(7,425)**	(2,800)
Net cash outflow from investing activities		**(7,346)**	(2,792)
Cash flow from financing activities			
Loans paid		**-**	(3,916)
Dividends paid	18	**(4,026)**	(3,086)
Net cash outflow from financing activities		**(4,026)**	(7,002)
Net increase/(decrease) in cash in the year		**15,467**	(1,250)
Cash and cash equivalents at the beginning of the year		**14,190**	15,440
Cash and cash equivalents at the end of the year		**29,657**	14,190

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12(b) not to present the company Cash Flow Statement.

The notes on pages 17 to 27 form part of these financial statements.

1 Statement of compliance

Permira Advisers (London) Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England.

The consolidated financial statements of Permira Advisers (London) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2 Summary of significant accounting policies

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.

(a) Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

(b) Going concern
On the basis of their assessment of the Group's financial position and resources, the directors believe that the Group is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of authorisation of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Basis of consolidation

The Group consolidated financial statements include the financial statements of the company and all its subsidiary undertakings made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on intra-Group transactions.

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the company. The profit for the financial year dealt with in the financial statements of the company was £8,307k (2019: £8,290k).

(d) Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. These assets are depreciated over the expected useful economic life.

The expected useful economic lives of the tangible fixed assets are as follows:

Leasehold improvements	Over the term of the respective lease
Computer equipment	25%
Furniture and fittings	20%

2 Summary of significant accounting policies (continued)

(e) Investments
Investments in subsidiaries are carried or accounted for at cost less accumulated impairment losses.

(f) Revenue
Turnover represents amounts invoiced, excluding VAT, in respect of services provided and is recognised when due.

Dividend income is accounted for when the Group's right to receive these dividends is established, net of tax credits and gross of any applicable withholding tax.

(g) Expenses
Expenditure is accounted for on the accruals basis.

(h) Leased assets
At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the consolidated statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

(j) Financial instruments
The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets
Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the consolidated statement of comprehensive income immediately.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated statement of comprehensive income immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities
Basic financial liabilities, including creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2 **Summary of significant accounting policies (continued)**

(k) Foreign currency

The Group and company's functional and presentation currency is GBP.

Transactions denominated in foreign currencies are translated at the exchange rate ruling on the date on which the transaction occurred and monetary assets and liabilities are translated at the rate ruling at the Statement of Financial Position date.

Foreign exchange gains and losses are included in the Consolidated Statement of Comprehensive Income, except where noted below.

On consolidation of foreign currency subsidiaries, their results are translated into GBP at average rates of exchange for the year and all assets and liabilities are translated at the rate of exchange at the reporting date. Exchange differences arising from the retranslation of the opening net assets of subsidiaries which have currencies of operation other than GBP are taken to "Other comprehensive income", together with the differences arising from their results which are translated at average rates and compared with rates ruling at the reporting date.

(l) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax:

Current tax is the amount of income tax payable in respect of the taxable profit forthe year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax:

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. They are reviewed at each reporting date and adjusted to reflect the current best estimate of the final amount required to settle the obligation.

(n) Cash and cash equivalents

Cash and cash equivalents include bank balances and short term maturity deposits held at call. Bank overdrafts, if any, are shown within borrowings in current liabilities on the Statement of Financial Position. Cash and cash equivalents are stated at face value.

(o) Related parties

The company is a wholly owned subsidiary of Permira Holdings Limited ("PHL") and is included in the consolidated financial statements of PHL. Consequently the company is exempt under FRS 102 Section 33.1A from disclosing related party transactions with other wholly owned entities that are part of the PHL Group.

(p) Employee benefits

The Group provides a range of benefits to employees, including short-term benefits and annual bonus arrangements. A severance pay benefit arrangement ("TFR scheme") is provided for employees of Permira Associati SPA.

i) Short term benefits

Short term benefits, including non-monetary benefits, are recognised as an expense in the period in which the service is received. In respect of annual bonus arrangements, an expense is recognised when the Group has a legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

ii) TFR scheme

The TFR Scheme is provided to employees of Permira Associati SPA in accordance with Italian employment legislation. The TFR Scheme defines the benefit that the participants will receive on leaving, dependent on one or more factors such as length of service and annual salary. The legal obligation for the payment of all amounts under the scheme remains with the Group.

The liability recognised in the Statement of Financial Position in respect of the TFR Scheme is the present value of the annuity obligation at the reporting date and this obligation is calculated annually using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future payments using a defined discount rate as communicated by The National Institute for Statistics ("ISTAT").

Gains and losses arising from experience adjustments and changes in assumptions are charged or credited to other comprehensive income.

3 **Critical accounting judgments and estimation uncertainty**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Judgments, estimates and assumptions have been made in respect of the following:

Deferred tax provisions: judgment is required in the determination of the whether the temporary timing difference will be reversed in the future. The directors consider the assumptions applied to forecast future profitability, to ensure that the deferred tax provision remains appropriate.

Employee benefit provisions: judgment is required in the determination of the expected future increases in remuneration in order to determine the present value of the expected future payments, to enable the directors to determine the level of provision that is required to settle the expected future termination costs. Depreciation of tangible assets: judgment is required in the determination of the useful economic life of assets. The directors consider each tangible asset and reviews the intention of the use of the asset, to ensure that the appropriate duration is applied.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 **Revenue**

	Group 2020 £000	Group 2019 £000
Analysis of turnover by geography:		
United Kingdom	40,303	36,168
Guernsey	143,785	104,153
	184,088	140,321
Analysis of turnover by category:		
Service fees	40,303	36,168
Consultancy	143,785	104,153
	184,088	140,321

5 **Staff costs and directors' emoluments**

	Group 2020 £000	Group 2019 £000
Wages and salaries	100,840	78,921
Social security costs	4,516	3,657
Exceptional payment	15,818	-
Other pension costs	4,412	4,011
	125,586	86,589

The monthly average number of persons employed by the Group during the year was:	2020 Number	2019 Number
Directors	2	2
Partners	18	18
Professionals	154	154
Support	65	67
	239	241

Directors

The directors of the company are paid by Permira Advisers LLP, an entity under the common control of the Permira Group, for the services that they provide across the wider Permira Group. The company did not make any payments to the directors in the year (2019: £nil), and no allocation of their payment is done across the relevant entities within the Permira Group. The directors are the key management personnel for the Group and company.

6 **Operating profit**

	Group 2020 £000	Group 2019 £000
Operating profit for the year is stated after charging:		
Staff Costs (Note 5)	125,586	86,589
Operating leases - land & buildings	8,615	8,438
Depreciation	2,692	2,066
Auditors' Remuneration (Note 7)	693	1,119

7 **Auditors' Remuneration**

	Group 2020 £000	Group 2019 £000
Fees payable to the company's Auditors and their associates for the audit of the parent company and Group's consolidated financial statements	69	52
Fees payable to the company's Auditors and their associates in respect of:		
Audit of the company's subsidiaries	294	289
Other assurance services pursuant to legislation	5	5
Tax compliance fees	213	70
Tax advisory services	21	186
Other advisory services	91	317
Other consultancy services	-	200
	693	1,119

8 Tax on profit

	Group 2020 £000	Group 2019 £000
United Kingdom ("UK") corporation tax	579	1,049
Foreign corporation tax	665	2,545
Total current taxation	1,244	3,594
Deferred tax charge (note 13 and 16)	(2,840)	(166)
Tax on profit	(1,596)	3,428

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in UK of 19% (2019: 19%). The differences are explained below:

	Group 2020 £000	Group 2019 £000
Profit before taxation	13,009	9,055
Profit before taxation multiplied by standard rate of domestic corporation tax	2,472	1,720
Effects of:		
Depreciation for year in excess of capital allowances	65	109
Expenses not deductible for tax purposes	70	216
Withholding tax	-	391
Adjustments in respect of prior years	(132)	397
Deferred tax	(2,840)	(60)
Impact of overseas tax rates	(1,231)	655
Total tax charge	(1,596)	3,428

9 Tangible assets

Group	Leasehold Improvements £000	Furniture & Fittings £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2020	19,009	5,983	7,333	32,325
Additions	5,961	410	1,054	7,425
Disposals	(22)	(6)	(7)	(35)
Foreign exchange				-
At 31 December 2020	24,948	6,387	8,380	39,715
Accumulated Depreciation				
At 1 January 2020	(11,907)	(5,262)	(5,806)	(22,975)
Charge for the year	(1,801)	(243)	(648)	(2,692)
Foreign exchange	(24)	(9)	(9)	(42)
At 31 December 2020	(13,732)	(5,514)	(6,463)	(25,709)
Net Book Value				
At 31 December 2020	11,216	873	1,917	14,006
At 31 December 2019	7,102	721	1,527	9,350

9 Tangible assets (continued)

Company	Leasehold Improvements £000	Furniture & Fittings £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2020	10,474	3,144	4,358	17,976
Additions	5,555	81	322	5,958
At 31 December 2020	16,029	3,225	4,680	23,934
Accumulated Depreciation				
At 1 January 2020	(6,440)	(2,938)	(3,587)	(12,965)
Charge for the year	(1,201)	(87)	(368)	(1,656)
At 31 December 2020	(7,641)	(3,025)	(3,955)	(14,621)
Net Book Value				
At 31 December 2020	8,388	200	725	9,313
At 31 December 2019	4,034	206	771	5,011

10 Other Investments

For the year ended 31 December 2020, the movement for debentures classified at other investments is as follows:

Group	Total £000
Cost	
At 1 January 2020 and at 31 December 2020	424
Accumulated Amortisation	
At 1 January 2020	110
Charge for the year	8
Foreign exchange	(8)
At 31 December 2020	110
Net Book Value	
At 31 December 2020	314
At 31 December 2019	314

11 Investments

	Company 2020 £000	Company 2019 £000
At 1 January	7,762	7,506
Additions during the year	-	256
At 31 December	7,762	7,762

The list of subsidiaries and other related entities is as follows:

Name	Address of registered office	Principal Activities	% Held
Permira Advisers SPA	Palazzo Spinola, Via San Paulo 10, 20121 Milan, Italy	Consulting	100%
Permira Luxembourg Sarl	488 route de Longwy, L-1940 Luxembourg	Services	100%
Permira Beteiligungs-beratung GmbH	Bockenheimer Landstrasse 33, 60325 Frankfurt am Main	Consulting	100%
Permira Advisers SAS	31 rue de la Baume, 75008 Paris, France	Consulting	100%
Permira Advisers Limited	28/F One Exchange Square, 8 Connaught Place, Hong Kong	Consulting	100%
Permira Advisers China Holdings Limited	28/F One Exchange Square, 8 Connaught Place, Hong Kong	Consulting	100%
Permira Advisers KK	1-11-44 Akasaka, Tokyo 107-005, Japan	Consulting	100%
Permira Asesores SL	Plaza Marqués de Salamanca 10, Primero Izquierda, 28006, Madrid, Spain	Consulting	100%
Permira Advisers LLC	320 Park Avenue, New York, NY 10022, United States	Consulting	100%
Permira Ventures Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Private Equity Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Co-Investments Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Capital Partners Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Investments Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Capital Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%

The directors believe that the carrying value of the investments is supported by their underlying net assets.

All the subsidiaries above are included in the consolidation.

In addition to the entities above, Permira Advisers (London) Limited holds 0.1% in Permira Advisers AB, an entity incorporated in Sweden.

12 Trade and other receivables	Group 2020 £000	Group 2019 £000
Amounts falling due within one year		
Amounts owed by group undertakings	60,595	45,605
Tax debtor	1,580	356
Other debtors	10,550	5,039
Prepayments and accrued income	2,921	2,843
	75,646	53,843

The tax debtor includes the deferred tax asset of Permira Associati SPA relating to: (i) corporate tax losses (£411,000) and (ii) deduction to rate used to calculate the notional return on equity for the Italian Aid to Economic Growth that can be carried over to reduce future taxable income (£205,000). The rate used is 24% of the potential reductions in future taxable income.

	Company 2020 £000	Company 2019 £000
Amounts falling due within one year		
Amounts owed by group undertakings	5,758	5,005
Other debtors	2,903	2,230
Prepayments and accrued income	2,350	2,128
	11,011	9,363

13 Trade and other receivables	Group 2020 £000	Group 2019 £000
Amounts falling due after more than one year		
Other debtors	1,770	1,894
Deferred tax asset	2,847	-
Tax debtor	1,275	285
	5,892	2,179

14 Trade and other payables	Group 2020 £000	Group 2019 £000
Amounts falling due within one year		
Amounts owed to group undertakings	(16,837)	-
Corporation Tax	(162)	(521)
Other creditors	(11,692)	(6,781)
Accruals	(53,047)	(43,302)
	(81,738)	(50,604)

	Company 2020 £000	Company 2019 £000
Amounts falling due within one year		
Amounts owed to group undertakings	(16)	(21)
Corporation Tax	-	(108)
Other creditors	(3,168)	(2,985)
Accruals	(6,243)	(5,556)
	(9,427)	(8,670)

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of payment and are repayable on demand.

Notes to the Financial Statements (continued)

15 Trade and other payables

	Group 2020 £000	Group 2019 £000
Amounts falling due after more than one year		
Corporation tax	(630)	(88)
Accruals & other creditors	(4,544)	(1,931)
	(5,174)	(2,019)

	Company 2020 £000	Company 2019 £000
Amounts falling due after more than one year		
Accruals & other creditors	-	(625)
Lease incentive payables	(3,210)	-
	(3,210)	(625)

16 Provisions for liabilities

	Group 2020 £000	Group 2019 £000
At 1 January	(1,975)	(2,479)
(Increase)/decrease in onerous lease provisions	(85)	750
Decrease in deferred tax provision	(7)	166
(Increase) in employee benefit provision	(716)	(412)
At 31 December	(2,783)	(1,975)
Onerous lease provisions [1]	(501)	(416)
Deferred tax provision	(474)	(467)
Employee benefit provision [2]	(1,808)	(1,092)
	(2,783)	(1,975)

[1] The onerous lease provision is to recognise the excess of rental expense over rental income for the sublease period of the tenant.

[2] The Trattamento di Fine Rapporto (TFR) Scheme is provided to employees of Permira Associati SPA in accordance with Italian employment legislation.

	Company 2020 £000	Company 2019 £000
At 1 January	(25)	(128)
(Increase)/Decrease in onerous lease provisions	-	128
Increase/(Decrease) in deferred tax liability	25	(25)
At 31 December	-	(25)
Deferred tax provision	-	(25)
	-	(25)

17 Operating leases

The total rentals under operating leases, charged as an expense and receivable as income in the profit and loss account, are disclosed below.

	Group 2020 £000	Group 2019 £000
Rental Expense	8,615	8,438
Rental Income	-	(412)
	8,615	8,026

Commitments under leases to pay rentals during the years following the year of these financial statements are given in the table below.

	Group 2020 £000	Group 2019 £000
Land and Buildings		
Payments due not later than one year	8,604	8,572
Payments due later than one year and not later than five years	31,051	26,794
Payments due later than five years	35,492	35,960
	75,147	71,326

18 Share capital and other reserves

	Group 2020 £000	Group 2019 £000
Authorised		
50,007 (2019: 50,007) Ordinary Shares of £1 each	50	50
Allotted, Issued and Fully Paid		
50,007 (2019: 50,007) Ordinary Shares of £1 each	50	50

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

	Company £000	Company £000
Authorised		
50,007 (2019: 50,007) Ordinary Shares of £1 each	50	50
Allotted, Issued and Fully Paid		
50,007 (2019: 50,007) Ordinary Shares of £1 each	50	50

Other reserves
Other reserves of £4.791m consist of a merger reserve, being the difference between the nominal value of the shares acquired under the Group restructuring, and the nominal value of the shares issued, including the share premium that arose.

Capital contribution reserve
Capital contribution reserve constitutes an interest-free loan from Permira Advisers Group Holdings Limited to Permira Advisers (London) Limited. The loan does not incur any interest, is unsecured and matures in 2024.

Dividends
During the year, the directors approved and paid a dividend of £4.026m (2019: £3.086m), equivalent to £80.51 per share (2019: £61.71 per share).

19 Net cash inflow from operating activities

	Group 2020 £000	Group 2019 £000
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	13,023	9,055
Depreciation charges	2,692	2,066
Increase/(Decrease) in provisions for liabilities	801	(338)
Foreign exchange loss	42	162
Increase in trade receivables	(20,456)	(10,789)
Increase in trade payables	34,106	10,564
Net cash inflow from operating activities	30,209	10,720

20 Immediate and ultimate parent undertaking

Permira Advisers Group Holdings Limited, owns 100% of the ordinary share capital of the company and is the immediate controlling party of the company. Permira Advisers Group Holdings Limited is the smallest Group of undertakings to prepare consolidated financial statements in which this Group is included.

Permira Holdings Limited, a Guernsey limited company, is considered to be the ultimate parent undertaking and controlling party and is the parent undertaking of the largest Group of undertakings to prepare consolidated financial statements in which this Group is included.

The principal place of business of Permira Holdings Limited is:
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 6DJ