

## **Summit Partners LLP**

### **Annual report and financial statements**

for the year ended 31 December 2019

Registered number: OC388179



## Summit Partners LLP

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### Information

<b>Designated Members</b>	Summit Partners (UK) Advisory Limited Summit UK Advisory LLC
<b>LLP registered number</b>	OC388179
<b>Registered office</b>	11-12 Hanover Square London W1S 1JJ
<b>Independent auditor</b>	Ernst & Young LLP Statutory Auditor 25 Churchill Place Canary Wharf London E14 5EY
<b>Bankers</b>	Standard Bank Jersey Limited 47-49 La Motte Street St Helier Jersey JE2 4SZ
<b>Solicitors</b>	Kirkland & Ellis International LLP 30 St Mary Axe London EC3A 8AF

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**Members' report**

for the year ended 31 December 2019

The members present their annual report together with the audited financial statements of Summit Partners LLP (the 'LLP') for the year ended 31 December 2019.

**Principal activity, business review and future developments**

The principal activity of the LLP was the provision of investment market research and analysis services to Summit UK Advisory LLC. The LLP is regulated by the Financial Conduct Authority.

The members do not foresee any change in the nature of this activity going forward. The members intend to continue to focus on developing the expertise of the LLP in order to give it the best possible environment to further its growth. It is the members' opinion that there are no significant risks or uncertainties facing the LLP other than the general risks that exist in the financial services sector.

The United Kingdom left the European Union on 31 January 2020 and is currently in the transition period until 31 December 2020. The LLP will continue to assess any relevant considerations during the transition period, in the context of its risk management framework

**Results and allocations to members**

The profit for the year amounted to £7,190,732 (2018: £5,997,893).

**Designated Members**

The designated members of the LLP during the year and to the date of this report were as follows:

Summit Partners (UK) Advisory Limited  
Summit UK Advisory LLC

**Principal risks and uncertainties**

The emergence of the COVID-19 virus, has also resulted in significant economic and social disruption across the world, further details in relation to this risk are included in Note 4 and 20.

**Policy for members' profit, drawings, subscriptions and repayments of member's capital**

Drawings by members are permitted at the Managing Member's sole discretion and distributions to members may be reduced by such amounts as the Managing Member reasonably considers necessary to satisfy or make provision for current, anticipated or contingent obligations, losses, expenses or commitments of the LLP.

All capital contributions are credited to the relevant member's capital account. The managing member ensures that the aggregate amount in the members' account is sufficient to ensure that the LLP satisfies its regulatory capital requirement at all times. No member is entitled to receive interest on his capital contribution.

Members are permitted drawings in anticipation of profit shares. If an ordinary member exceeds the amount of profits allocated to him, the member must repay the excess drawings to the LLP. Credit balances in the members' capital account may be repaid at the discretion of the Managing Member.

The net profit or loss for each accounting period is allocated to each member proportionately to their equity holding.

**Disclosure of information to auditor**

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and

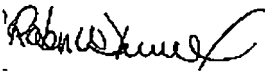
**Members' report (continued)**  
for the year ended 31 December 2019

- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

**Re-appointment of auditor**

The auditor, Ernst & Young LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on 4/24/2020 and signed on their behalf by:



R W Devereux, Director  
Summit Partners (UK) Advisory Limited  
Designated Member

**Members' responsibilities statement**  
for the year ended 31 December 2019

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the designated members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Summit Partners LLP**

### **Opinion**

We have audited the financial statements of Summit Partners LLP (the 'LLP') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Emphasis of matter - effects of COVID-19**

We draw attention to Note 4 and 20 of the financial statements, which describes the potential economic disruption the Partnership may face as a result of COVID-19, which is impacting financial markets. Our opinion is not modified in respect of this matter.

### **Other information**

The members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or

## **Independent auditors' report to the members of Summit Partners LLP (continued)**

apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

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

### **Responsibilities of members**

As explained more fully in the Members' responsibilities statement on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP 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.*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of our report**

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

**Independent auditors' report to the members of Summit Partners LLP (continued)**

A handwritten signature in black ink, appearing to read 'Ahmer Huda', with a stylized, cursive script.

Ahmer Huda (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor  
**Ernst & Young LLP**

Statutory Auditor

Date: 24 April 2020

**Statement of comprehensive income**  
for the year ended 31 December 2019

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Turnover		<b>15,856,336</b>	17,531,049
Administrative expenses		<b>(8,567,103)</b>	(11,681,962)
Other operating income	6	-	(13,111)
		<hr/>	<hr/>
<b>Operating profit</b>	7	<b>7,289,233</b>	5,835,976
(Loss)/gain on foreign exchange		<b>(98,501)</b>	161,917
		<hr/>	<hr/>
<b>Profit on ordinary activities for the financial year available for division among members</b>		<b>7,190,732</b>	5,997,893
		<hr/>	<hr/>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

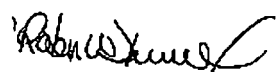
There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 20 form part of these financial statements.

**Statement of financial position**  
as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	3,943,651	4,457,568
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	12	-	16,716
Debtors: amounts falling due within one year	12	6,478,080	3,836,146
Cash at bank and in hand	13	1,160,296	2,127,642
		<u>7,638,376</u>	<u>5,980,504</u>
Creditors: Amounts Falling Due Within One Year	14	<u>(3,202,966)</u>	<u>(3,673,015)</u>
<b>Net current assets</b>		<b>4,435,410</b>	<b>2,307,489</b>
<b>Net assets</b>		<b><u>8,379,061</u></b>	<b><u>6,765,057</u></b>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts	16	7,426,061	5,812,057
Members' capital classified as equity		953,000	953,000
		<u>8,379,061</u>	<u>6,765,057</u>
<b>Total members' interests</b>			
Loans and other debts due to members	16	7,426,061	5,812,057
Members' other interests		953,000	953,000
		<u>8,379,061</u>	<u>6,765,057</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on  
4/24/2020



R W Devereux, Director  
Summit Partners (UK) Advisory Limited  
Designated Member

The notes on pages 10 to 20 form part of these financial statements.

**Reconciliation of members' interests**  
for the year ended 31 December 2019

	<b>EQUITY</b> <b>Members' other interests</b>			<b>DEBT</b> <b>Loans and other debts due to members less any amounts due from members in debtors</b>	<b>Total members' interests</b>
	<b>Members' capital (classified as equity)</b>	<b>Other reserves</b>	<b>Total</b>	<b>Other amounts</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due to members				3,626,096	
<b>Balance at 1 January 2018</b>	<b>953,000</b>	<b>-</b>	<b>953,000</b>	<b>3,626,096</b>	<b>4,579,096</b>
Profit for the year available for discretionary division among members	-	5,997,893	5,997,893	-	5,997,893
<b>Members' interests after profit for the year</b>	<b>953,000</b>	<b>5,997,893</b>	<b>6,950,893</b>	<b>3,626,096</b>	<b>10,576,989</b>
Other division of profits	-	(5,997,893)	(5,997,893)	5,997,893	-
Drawings	-	-	-	(3,797,782)	(3,797,782)
Other movements	-	-	-	(14,150)	(14,150)
Amounts due to members				5,812,057	
<b>Balance at 31 December 2018</b>	<b>953,000</b>	<b>-</b>	<b>953,000</b>	<b>5,812,057</b>	<b>6,765,057</b>
Profit for the year available for discretionary division among members	-	7,190,732	7,190,732	-	7,190,732
<b>Members' interests after profit for the year</b>	<b>953,000</b>	<b>7,190,732</b>	<b>8,143,732</b>	<b>5,812,057</b>	<b>13,955,789</b>
Other division of profits	-	(7,190,732)	(7,190,732)	7,190,732	-
Amounts introduced by members	10,000	-	10,000	-	10,000
Repayment of capital	(10,000)	-	(10,000)	-	(10,000)
Drawings	-	-	-	(5,198,483)	(5,198,483)
Other movements	-	-	-	(378,245)	(378,245)
Amounts due to members				7,426,061	
<b>Balance at 31 December 2019</b>	<b>953,000</b>	<b>-</b>	<b>953,000</b>	<b>7,426,061</b>	<b>8,379,061</b>

The notes on pages 10 to 20 form part of these financial statements.

As an entity regulated by the Financial Conduct Authority (FCA), members are not permitted to reduce capital in the LLP (included as part of Members' other interests) without prior consent from the FCA, unless their doing has no adverse impact on the LLP's capital levels being in line with the FCA's capital requirements

**Notes to the financial statements**  
for the year ended 31 December 2019

**1. General information**

Summit Partners LLP is a limited liability partnership incorporated in England and Wales, registration number OC388179. The registered office of the LLP is 10-11 Hanover Square, London, W1S 1JJ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

**Statement of changes in equity**

A reconciliation of members' interests has been presented as a primary statement instead of a statement of changes in equity per paragraph 59A of the LLP SORP.

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Summit Partners (UK) Advisory Limited as at 31 December 2019 and these financial statements may be obtained from The Registrar of Companies.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The LLP's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**Notes to the financial statements**  
for the year ended 31 December 2019

**2. Accounting policies (continued)**

**2.4 Members' Capital**

Members' capital is classified as equity in accordance with FRS 102 and the SORP. Repayment of members' capital is governed by the Members' Agreement dated 1 April 2014.

**2.5 Members' profit allocations**

Amounts becoming due to members in respect of members' profit allocations are debited directly to reserves in the year in which the division occurs. Drawings are recognised as a loan due from members until allocation occurs.

**2.6 Turnover**

Turnover comprises revenue recognised by the LLP in respect of services supplied during the year, exclusive of Value Added Tax. Turnover is recognised on a cost-plus basis.

**2.7 Operating leases**

Rentals under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

**2.8 Taxation**

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not on the LLP.

**2.9 Pensions**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid, the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the financial statements**  
for the year ended 31 December 2019

**2. Accounting policies (continued)**

**2.10 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Depreciation is provided on the following basis:

Leasehold improvements	-	10.0%	or over the remaining term of the lease, whichever is shorter
Office equipment	-	20.0%	
Computer equipment	-	33.3%	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

**2.15 Financial instruments**

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate,

**Notes to the financial statements**  
for the year ended 31 December 2019

**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

**Notes to the financial statements**  
for the year ended 31 December 2019

**4. Going concern**

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact Partnership's results, operations or liquidity is uncertain. Management continues to monitor the impact that the COVID-19 pandemic has on the Partnership, the private equity industry and the economies in which the Partnership operates. Management has performed a COVID -19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios to assess the potential impact that COVID-19 may have on Partnership's operations, liquidity, solvency and regulatory capital position as well as a reverse stress test to assess the stresses the balance sheet has to endure before there is a breach of the relevant regulatory capital requirement and including an assessment of any relevant mitigations management have within their control to implement.

In their assessment management has considered the basis on which it receives management fees for acting as investment advisor to the private equity funds, any impact Covid19 might have on the fair value of the private equity fund's investments and the Partnership's fixed and variable ongoing expenses to operate.

The most significant potential financial impact is in respect of the LLP's future advisory fee income as this is dependent on investors in the Summit Partners LP funds ability to fund their capital commitments. It is not possible to quantify the overall potential impact of Covid-19 as financial markets and investors continue to react to developments. Management have to date not received any notifications from investors indicating they would not be able to honour their commitments to the funds and investors have, post reporting period, funded drawdown notices issued by the funds in the normal course of business. Management also have a number of actions that they are able to take to protect profitability and solvency. Having performed this analysis management believes regulatory capital requirements continue to be met and are expected to have sufficient liquidity to meet liabilities for at least the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

**Notes to the financial statements**  
for the year ended 31 December 2019

**5. Turnover**

Turnover is attributable to the LLP's principal activity, the provision of investment market research and analysis services to Summit UK Advisory LLC.

Income arises from activities performed in the following geographical areas:

	<b>2019</b>	2018
	<b>£</b>	£
United Kingdom	<b>10,482,345</b>	5,532,383
Rest of Europe	<b>4,306,344</b>	4,385,493
USA	<b>914,396</b>	7,083,418
North America (excl. USA)	<b>61,300</b>	38,230
Middle East and Africa	<b>81,734</b>	365,913
Asia Pacific	<b>10,217</b>	125,612
	<b>15,856,336</b>	17,531,049

**6. Other operating income**

	<b>2019</b>	2018
	<b>£</b>	£
Rental income	-	(13,111)

Other operating income for the previous year comprises a reversal of rental income in relation to the sub-lease of part of the LLP's offices at Queensbury House, London, after the tenant left the premises in 2018.

**7. Operating profit**

The operating profit is stated after charging:

	<b>2019</b>	2018
	<b>£</b>	£
Depreciation of tangible fixed assets	<b>637,691</b>	572,477
<b>Other operating lease rentals</b>		
- other operating leases	<b>985,319</b>	2,634,604
- plant and machinery	<b>20,808</b>	23,774
Defined contribution pension costs	<b>98,522</b>	88,265

**Notes to the financial statements**  
for the year ended 31 December 2019

**8. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	<u>25,600</u>	<u>26,350</u>

The LLP has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent LLP.

**9. Employees**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	2,910,915	3,147,838
Social security costs	674,638	532,686
Cost of defined contribution scheme	98,522	88,264
	<u>3,684,075</u>	<u>3,768,788</u>

The average monthly number of persons employed during the year was as follows:

	2019 No.	2018 No.
Analyst	12	13
Administration	8	6
	<u>20</u>	<u>19</u>

**10. Information in relation to members**

	2019 Number	2018 Number
The average number of members during the year was	<u>9</u>	<u>8</u>
	2019 £	2018 £
The amount of profit attributable to the member with the largest entitlement was	<u>1,992,249</u>	<u>2,200,111</u>

**Notes to the financial statements**  
for the year ended 31 December 2019

**11. Tangible fixed assets**

	Leasehold improvements £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>					
At 1 January 2019	3,701,619	888,334	265,990	97,560	4,953,503
Additions	75,791	8,135	40,529	-	124,455
Disposals	(790)	(9,882)	-	-	(10,672)
At 31 December 2019	<u>3,776,620</u>	<u>886,587</u>	<u>306,519</u>	<u>97,560</u>	<u>5,067,286</u>
<b>Depreciation</b>					
At 1 January 2019	165,340	207,018	123,577	-	495,935
Charge for the year on owned assets	404,920	158,496	74,274	-	637,690
Disposals	(108)	(9,882)	-	-	(9,990)
At 31 December 2019	<u>570,152</u>	<u>355,632</u>	<u>197,851</u>	<u>-</u>	<u>1,123,635</u>
<b>Net book value</b>					
At 31 December 2019	<u>3,206,468</u>	<u>530,955</u>	<u>108,668</u>	<u>97,560</u>	<u>3,943,651</u>
At 31 December 2018	<u>3,536,279</u>	<u>681,316</u>	<u>142,413</u>	<u>97,560</u>	<u>4,457,568</u>

**Notes to the financial statements**  
for the year ended 31 December 2019

**12. Debtors**

	2019 £	2018 £
<b>Due after more than one year</b>		
Prepayments	-	16,716
	<u>-</u>	<u>16,716</u>
	<u>-</u>	<u>16,716</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	5,616,320	3,403,393
Other debtors	198,313	84,381
Prepayments	663,447	348,372
	<u>6,478,080</u>	<u>3,836,146</u>
	<u>6,478,080</u>	<u>3,836,146</u>

**13. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	1,160,296	2,127,642
	<u>1,160,296</u>	<u>2,127,642</u>
	<u>1,160,296</u>	<u>2,127,642</u>

**14. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	172,215	304,257
Other taxation and social security	71,245	221,224
Other creditors	12,061	10,704
Accruals and deferred income	2,947,445	3,136,830
	<u>3,202,966</u>	<u>3,673,015</u>
	<u>3,202,966</u>	<u>3,673,015</u>

**Notes to the financial statements**  
for the year ended 31 December 2019

**15. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>1,160,296</b>	<b>2,127,642</b>

Financial assets measured at fair value through profit or loss comprise of cash at bank only.

**16. Amounts due to members**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loans and other debts falling due within one year	<b>7,426,061</b>	<b>5,812,057</b>

In the event of winding up, the creditors of the LLP will be paid before members' distributions or the repayment of capital.

**17. Pension commitments**

The entity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund and amounted to £98,522 (2018 - £88,264). Contributions payable to the fund at the reporting date amount to £12,061 (2018 - £10,704).

**18. Commitments under operating leases**

At 31 December 2019 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>1,500,000</b>	<b>1,375,000</b>
Later than 1 year and not later than 5 years	<b>7,500,000</b>	<b>7,500,000</b>
Later than 5 years	<b>2,625,000</b>	<b>3,875,000</b>
	<b>11,625,000</b>	<b>12,750,000</b>

**Notes to the financial statements**  
for the year ended 31 December 2019

**19. Related party transactions**

Transactions with members of the LLP are detailed in the Reconciliation of members' interests.

During the year ended 31 December 2019, the LLP invoiced £15,856,336 (2018 - £17,531,049) for the investment management research and analysis services provided to Summit Partners LP ('the LP'), a related party due to its majority ownership of Summit Advisory LLC, a designated member of the LLP. During the year, the LP paid certain expenses on behalf of the LLP and the LLP paid certain expenses on behalf of the LP. The resulting net amount of £569,768 (2018 - £3,141,778) was recharged to the LLP by the LP.

As at 31 December 2019, after taking into consideration cash repayments and the foreign exchange effects of retranslating the US dollar amount outstanding into Pound sterling at the year end, Summit Partners LP owed £5,616,319 (2018 - £3,403,393) to the LLP, which is included in debtors.

**Key management personnel**

There are no other individuals considered to be key management personnel other than those members of the LLP. Please see the Reconciliation of members' interests (page 9) for details of transactions with members.

**20. Post balance sheet events**

COVID-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. The most significant potential financial impact is in respect of the Partnership's future advisory fee income as some investors may not be able to honour their fund commitments due to the impact of Covid-19. For further discussion concerning the management assessment of COVID 19 impact on the Partnership refer to Note 4.

**21. Controlling party**

The immediate parent undertaking is Summit Partners (UK) Advisory Limited.

The ultimate parent undertaking and controlling party is Summit Master Company, LLC, a limited liability company, incorporated in Delaware.

The largest group of undertakings for which group accounts have been drawn up which include the LLP is headed by Summit Partners LP. The smallest group of such undertakings headed by Summit Partners (UK) Advisory Limited and the accounts are available from The Registrar, Companies House, Crown Way, Cardiff, CF14 3UZ.