

**Advent International Ltd**  
**Registered Number 2342186**

**Annual Report and Financial Statements**  
**For the year ended 31 December 2022**

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*Advent International Ltd*  
*Annual Report and Financial Statements*  
*For the year ended 31 December 2022*

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## Strategic Report

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The directors present the strategic report of Advent International Ltd (the "Company") for the year ended 31 December 2022.

### Principal Activity

The Company, incorporated in London, England, is a private company limited by shares. The Company's principal activity during the year was the provision of investment advice to its parent company, Advent International Corporation, a U.S.-based and SEC registered manager of private equity funds. For nearly three years, the Company has provided investment advice simultaneously to that provided to Advent International Corporation and Advent International Fund Manager, S.a.r.l. ("AIFM"), a Luxembourg based alternative investment fund manager regulated by the CSSF (Commission de Surveillance du Secteur Financier). AIFM is a wholly owned subsidiary of Advent International Corporation. The Company is authorised and regulated by the Financial Conduct Authority.

The main objective of the Company is to identify, evaluate and monitor investment opportunities, primarily in Europe, that have the potential to generate above industry average investment returns. In addition, the Company provides administrative services to and on behalf of both Advent International Corporation and Advent International Fund Manager, S.a.r.l.

The Company is part of the Advent International Corporation global private equity buyout group with offices in 13 countries on four continents. Ongoing review of the Company's performance is carried out by comparing performance against established budgets. The Company's performance is also measured by reference to the investment advisory services it provides to Advent International Corporation and Advent International Fund Manager, S.a.r.l.

### Review of the Business and Key Performance Indicators

The business activities during the year through 31 December 2022 were in line with the Company's expectations.

The profit for the year, after taxation, amounted to £11,289,177 (2021: £11,830,327) which has been moved to reserves.

Turnover for the year was £156,027,423 (2021: £162,607,992), which comprises fees earned from investment advisory services.

At the year end, the Company had net assets of £44,740,588 (2021: £33,451,411).

The directors consider these to be the key performance indicators of the Company.

### Principal Risks, Uncertainties & Governance

The directors and senior management of the Company determine its business strategy and risk appetite, along with designing and implementing a risk management framework that recognises the risks that the business faces, this was encapsulated this year in the work completed on the Company's compliance with the IFPR regulations and the implementation of the Company's Internal Capital Adequacy and Risk Assessment ('ICARA') which was signed off by the directors. They also determine how those risks may be mitigated and assess, on an ongoing basis, the arrangements to manage those risks. The directors and senior management also manage the Company's risk through a framework of policies and procedures with regard to relevant laws, standards, principles and rules with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The principal risks the Company faces are the availability of suitable investment opportunities in Europe. This risk is mitigated by Advent International Ltd's proven approach to sourcing investment opportunities with a rigorous sector focus and offices and talented investment professionals located in key countries, a pool of highly experienced, independent advisers combine to ensure Advent is identifying good investment opportunities (target companies) that meet Advent's investment criteria at an early stage for initial due diligence and ultimately presentation to principally the European Investment Advisory Committee. In order to retain key employees, the Company offers a clear career development path and support with skills development and training. In addition, competitive compensation and benefits are offered to staff whilst the Company positively promotes diversity and inclusion for all its employees.

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## **Strategic Report (continued)**

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### **Principal Risks, Uncertainties & Governance (continued)**

The Company's revenue is derived from services provided to the parent and AIFM. The Company has additional principal risks relating to the credit default and liquidity risks associated with receipt of income on a timely basis from these counterparties. These risks are managed through regular dialogue with both parties to ensure that the Company maintains sufficient working capital to meet its liabilities as they fall due.

The Company is exposed to operational risk through the conduct of its business activities. Operational risk could arise as a result of inadequate or failed internal processes, people or systems, or from external events. Operational risks are monitored and addressed by the directors through production of management information that is presented to the Company's board and senior management.

In addition, due to the hybrid approach of home and office working, the Company has faced an increased cyber security risk during the pandemic and beyond and has established effective controls to help combat any threats and mitigate exposures. Lastly, risks relating to the current economic environment have been considered in the Directors' report.

Given investors and other stakeholders increasing demand for disclosures related to the Company's impact on the climate, the Company ensures it fully supports Advent's Responsible Investing, Environmental, Social and Governance ("ESG") Initiatives in order to mitigate its reputational and social responsibility risk.

### **Section 172 (1) Statement**

The directors have complied with their duty to promote the success of the Company for the benefit of its members whilst having regards to the following matters:

- (i) The likely consequences of any decisions in the long term;
- (ii) The interest of the Company's employees;
- (iii) The need to foster the Company's business relationships with suppliers, customers, and others;
- (iv) The impact of the Company's operations on the community and the environment;
- (v) The desirability of the Company to maintain a reputation for high standards of business conduct; and
- (vi) The need to act fairly between members of the Company.

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## Strategic Report (continued)

|   | Key Considerations   | Key Matters Discussed  | How Did We Engage:  |
|---|--|--|---|
| <b>Shareholders</b>                       | <ul style="list-style-type: none"> <li>- Ensuring that the Company fulfills its stated function as an 'advisor/arranger' on behalf of Advent International Corporation, its principal shareholder and the AIFM, a wholly owned subsidiary of Advent International Corporation.</li> </ul>  | <ul style="list-style-type: none"> <li>- High level UK portfolio company reviews at all quarterly board meetings.</li> <li>- Regular compliance monitoring updates and discussions on all pertinent compliance and regulatory-related topics.</li> </ul> | <ul style="list-style-type: none"> <li>- Participation in the European Investment Advisory Committee meetings to review portfolio companies and assess new opportunities.</li> </ul>  |
| <b>Employees</b>                          | <ul style="list-style-type: none"> <li>- Ensuring that the Company acts as a responsible employer and complies with local and national regulations</li> <li>- Ensuring that the Company remains an employer of choice by offering career development and enhancement along with competitive compensation and benefits.</li> <li>- Ensuring that the Company promotes diversity and inclusion for all employees.</li> </ul> | <ul style="list-style-type: none"> <li>- Quarterly review of all relevant HR topics and matters pertaining to the Company's employees</li> <li>- Quarterly update on diversity and inclusion at the Company level.</li> </ul>                            | <ul style="list-style-type: none"> <li>- Selected board members have formal oversight of the HR function in the UK and work with the team on a daily basis to ensure key objectives at the Company are met in relation to human resources.</li> </ul> |
| <b>Clients</b>                            | <ul style="list-style-type: none"> <li>- Ensuring that the Company continues to provide a high level of service as an advisor/arranger to investors in Advent International's funds.</li> </ul>  | <ul style="list-style-type: none"> <li>- Updates on any relevant fund raises as appropriate are communicated to the Company board.</li> </ul>  | <ul style="list-style-type: none"> <li>- Members of the board work closely with the limited partner services team on responding to investor requests and in supporting the fund-raising process and general investor relations matters.</li> </ul>    |
| <b>Communities and the Environment</b>    | <ul style="list-style-type: none"> <li>- Ensuring that the Company, as a subsidiary of Advent International Corporation, supports the parent company's Responsible Investing and ESG Initiatives.</li> </ul>   | <ul style="list-style-type: none"> <li>- Quarterly review of reputational risks pertaining to UK portfolio companies through RepRisk report presented by the Compliance Team.</li> </ul>   | <ul style="list-style-type: none"> <li>- Members of the board have oversight of the firm's Responsible Investment and ESG policies and their implementation.</li> </ul>   |
| <b>Business Partners and Supply Chain</b> | <ul style="list-style-type: none"> <li>- Ensuring that the Company remains a partner of choice with all key service providers and vendors.</li> </ul>  | <ul style="list-style-type: none"> <li>- Discussion of any new/relevant vendors engaged and/or hires (as appropriate).</li> </ul>  | <ul style="list-style-type: none"> <li>- Members of the board engage with a wide range of service providers and vendors to ensure that Advent is meeting its obligations and serving as a partner of choice.</li> </ul>                               |

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## **Strategic Report (*continued*)**

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### **Future Developments**

The directors and senior management's aim is to maintain the management policies that have resulted in the Company's success to date. The directors and senior management believe that the Company is well placed to identify appropriate investment opportunities going forward. The directors and senior management expect the general level of activity to remain consistent in the forthcoming year.

Approved by the board and signed on its behalf by:

DocuSigned by:  
  
5A01BF55FF524F1A  
J.A. Nuccio  
Director  
24 April 2023

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## **Directors' Report**

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The directors present their report and the audited financial statements for the year ended 31 December 2022.

### **Directors and Their Interest:**

The directors who held office during the year and up to the date of signing were as follows:

R. Kane (resigned December 31, 2022)

J.A. Nuccio

E. Sivoilella (retired December 31, 2022)

S. Gentile (effective December 1, 2022)

T.A. Allen

J.D. Paduch

No directors held any interests in the share capital of the Company.

### **Company Secretary:**

S.M. Powell

### **Auditor:**

Deloitte LLP  
Hill House  
1 New Street Square  
London EC4A 3 HQ  
United Kingdom

### **Bankers:**

Barclays Bank PLC  
54 Lombard Street  
London EC3V 9EX

HSBC PLC  
62-76 Park Street  
London SE1 9DZ

### **Registered Office:**

160 Victoria Street  
London SW1E 5LB

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## **Directors' Report (continued)**

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### **Employees**

Details of the number of employees and related costs can be found in Note 3 to the financial statements.

### **Directors' Indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of the directors which were made during the year and remain in force at the date of this report.

### **Dividends**

As at the date of this report, the directors do not recommend payment of a dividend for the financial year ended 31 December 2022 (2021 none).

### **Events After the Reporting Period**

There are no subsequent events that have occurred between December 31 and the date of presentation of the financial statements.

### **Going Concern**

In February 2022, the conflict between Russia and Ukraine resulted in international sanctions targeting Russian and Belorussian businesses and individuals. This has significantly impacted the macroeconomic conditions within which the Company operates, including a major humanitarian crisis, rising inflation and interest rates, supply chain disruptions, and higher financing costs. The duration and extent of these effects will depend on the resolution of the conflict and the restoration of stability to the region.

The Company has evaluated the impact and risk throughout 2022 until the financial statement issuance date. Management carefully considered the Company's circumstances, risk exposures, and the potential economic impact of the conflict on its advisory services provided to Advent International Corporation and Advent International Fund Manager S.a.r.l., considering its circumstances and risk exposures.

Advent International Fund Manager S.a.r.l. is a wholly owned subsidiary of Advent International Corporation-based in Luxembourg.

The receivable balances due from Advent International Corporation at December 31, 2022, will be fully collected in Q2 2023. Additionally, payables as of December 31, 2022, primarily related to vendor accruals, have been paid in Q1 2023. Advent International Corporation and Advent International Fund Manager S.a.r.l. have stable and sufficient income from management fees earned from their closed-end funds to meet current financial obligations. These funds include GPE 10 (\$25bn), GPE 9 (\$17.5bn), Advent Tech II (\$4B), and LAPEF 7 (\$2B) and account for approximately 80% of their management fees.

The Limited Partner base for the funds comprises large public pension funds, sovereign wealth funds, endowments, and other large institutions.

Advent International Corporation does not anticipate any issues with the Limited Partner base meeting their capital calls. Thus, the Company expects its income from payments for services rendered to continue uninterrupted.

The Company expects the 31 December 2023 balance sheet to be consistent with the 31 December 2022 balance sheet. Also, the Company has not and does not anticipate a need to raise external financing to meet its working capital needs, either in the short or long term. Senior management continually monitors all applicable regulatory environments and keeps on top of compliance and filing deadlines. In conjunction, updated cash flow forecasts and multiple scenario analyses are periodically evaluated to assess the full impact of the current environment.



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## Directors' Report (continued)

### Going Concern (continued)

The Company's board considered going concern for a minimum period of 12 months from the date the financial statements are approved. The board will continue to monitor the Company's circumstances and meet regularly to review potential risks as and when they develop. As a result, the Company's board also does not foresee a going concern risk.

### Streamlined Energy and Carbon Report (SECR)

Advent's UK operations are limited to two floors of 160 Victoria Street, also known as Nova South. Advent is a tenant of Land Securities. For each financial year, Advent is required to report the following energy and emissions data:

- (i) **UK energy use**, comprising activities for which Advent is responsible, involving the combustion of gas, or consumption of fuel for the purposes of transport (where Advent purchases or reimburses the fuel/mileage); and the purchase of electricity for Advent's own use.
- (ii) **Greenhouse gas (GHG) emissions** attributable to UK energy use.

In 2022 we are able to calculate market-based emissions for our electricity and heat supplies for the first time. In line with best practice under the GHG Protocol, we are therefore reporting a market-based and location-based GHG inventory for SECR-reportable emission scopes and sources. We have recalculated the emissions we reported in 2021 to enable like-for-like comparison across reporting years.

### Reportable Data: Including market-based Scope 2 emissions

| UK energy source                        | 2021<br>Energy<br>consumption<br>kWh | 2021<br>GHG<br>emissions<br>tCO <sub>2</sub> e | 2022<br>Energy<br>consumption<br>kWh | 2022<br>GHG emissions<br>tCO <sub>2</sub> e |
|---|--------------------------------------|--|--------------------------------------|---|
| Gas (Scope 1)                           | 9,613                                | 2  | 5,964                                | 1   |
| Transport fuel (Scope 1)                | 0                                    | 0  | 0                                    | 0   |
| Electricity (Scope 2)<br>(market-based) | 225,015                              | 71   | 378,256                              | 120   |
| Heat (Scope 2)<br>(market-based)        | 173,185                              | 52   | 230,456                              | 69  |
| Cooling (Scope 2)<br>(market-based)     | 227,190                              | 27   | 265,399                              | 31  |
| <b>Total scopes 1 &amp; 2</b>           | <b>635,003</b>                       | <b>152</b>                                     | <b>880,075</b>                       | <b>221</b>                                  |

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## Directors' Report (continued)

| Additional information         | 2021   | 2022                             |
|--------------------------------|--|----------------------------------|
| Intensity ratio (market-based) | 1.30 tCO <sub>2</sub> e/employee                         | 1.70 tCO <sub>2</sub> e/employee |
| Methodology                    | GHG Protocol Corporate Accounting and Reporting Standard |                                  |

### Reportable Data: Including location-based Scope 2 emissions

| UK energy source                          | 2021<br>Energy<br>consumption<br>kWh | 2021<br>GHG<br>emissions<br>tCO <sub>2</sub> e | 2022<br>Energy<br>consumption<br>kWh | 2022<br>GHG emissions<br>tCO <sub>2</sub> e |
|---|--------------------------------------|--|--------------------------------------|---|
| Gas (Scope 1)                             | 9,613                                | 2  | 5,964                                | 1   |
| Transport fuel (Scope 1)                  | 0                                    | 0  | 0                                    | 0   |
| Electricity (Scope 2)<br>(location-based) | 225,015                              | 48   | 378,256                              | 73  |
| Heat (Scope 2)<br>(location-based)        | 173,185                              | 52   | 230,456                              | 69  |
| Cooling (Scope 2)<br>(location-based)     | 227,190                              | 27   | 265,399                              | 31  |
| <b>Total scopes 1 &amp; 2</b>             | <b>635,003</b>                       | <b>129</b>                                     | <b>880,075</b>                       | <b>174</b>                                  |

| Additional information           | 2021   | 2022                             |
|----------------------------------|--|----------------------------------|
| Intensity ratio (location-based) | 1.02 tCO <sub>2</sub> e/employee                         | 1.34 tCO <sub>2</sub> e/employee |
| Methodology                      | GHG Protocol Corporate Accounting and Reporting Standard |                                  |

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## **Directors' Report (*continued*)**

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### **Energy Efficiency Narrative**

In summer 2022 we embarked on an expansion and refitting of our office space, with the aim of achieving a BREEAM excellent rating. Certification to this level is anticipated in April 2023. Energy efficiency measures we have adopted include:

- (i) Kitchen Marvel system - a control platform which monitors ventilation demand and adjusts real time exhaust rates to specific zones accordingly.
- (ii) Conversion of all kitchen equipment from gas to electricity, with an associated 15-50% energy consumption saving.
- (iii) Simmtronic lighting across all office space. This provides presence sensing and precision daylight control for reduced energy use, with a typical 10 year lifetime.

### **Estimations**

No energy consumption data has required estimation for the 2022 reporting year.

### **Intensity ratio**

The Company had a headcount of 130 employees (2021:116). The figure for total GHG emissions was divided by this number to provide the ratio.

### **Methodology**

Advent's SECR information was calculated using the "GHG Protocol Corporate Accounting and Reporting Standard", produced by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

Advent's organisational reporting boundary is based on operational control. Emission factors from the UK Government's Department for Business, Energy and Industrial Strategy (BEIS); Landsec; and the Association of Issuing Bodies (AIB) have been used to calculate GHG emissions. Scope 2 emissions are calculated using both the location-based approach (for like-for-like comparison with 2021); and the market-based approach.

### **Engagement with suppliers, customers and others**

As addressed in the Strategic Report.

### **Future Developments**

As addressed in the Strategic Report.

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## Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgments and estimates that are reasonable and prudent;
- (iii) state whether applicable UK Accounting Standards have been followed; and
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to Auditor

The directors who held office at the date of approval of this Directors' Report confirm that:

- (i) so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (ii) the director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be reappointed and Deloitte LLP will continue in office.

Approved by the board and signed on its behalf by:

DocuSigned by:  
  
5A01BF55FF524F1...  
J.A. Nuccio  
Director  
24 April 2023

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## **Independent Auditor's Report to the Members of Advent International Ltd**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

In our opinion the financial statements of Advent International Ltd (the 'company'):

- (i) give a true and fair view of the state of the company's affairs as at 31st December 2022 and of its profit for the year then ended;
- (ii) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- (iii) have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- (i) the Statement of Comprehensive Income;
- (ii) the Statement of Financial Position;
- (iii) the Statement of Cash Flow;
- (iv) the Statement of Changes in Equity; and
- (v) the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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**

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.

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 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.

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

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **Independent Auditor's Report to the Members of Advent International Ltd (continued)**

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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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector. We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- (i) had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- (ii) do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority ('FCA') requirements, regulatory capital requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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**Independent Auditor's Report to the Members of Advent International Ltd  
(continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- (i) reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- (ii) performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- (iii) enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- (iv) reading minutes of meetings of those charged with governance and reviewing correspondence with the FCA.

**Report on Other Legal and Regulatory Requirements**

**Opinions on Other Matters Prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- (i) the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- (ii) the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on Which We are Required to Report by Exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- (i) adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- (ii) the financial statements are not in agreement with the accounting records and returns; or
- (iii) certain disclosures of directors' remuneration specified by law are not made; or
- (iv) we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Use of Our Report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Kelly de Gersigny*

Kelly De Gersigny (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
24 April 2023

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## Statement of Comprehensive Income

|                                      |             | For the year ended 31 December |                          |
|--------------------------------------|-------------|--------------------------------|--------------------------|
|                                      | <u>Note</u> | <u>2022</u>                    | <u>2021</u>              |
|                                      |             | £                              | £                        |
| Advisory fee and other income        |             | <u>156,027,423</u>             | <u>162,607,992</u>       |
| Administrative expenses              | 3           | <u>(141,682,012)</u>           | <u>(147,890,363)</u>     |
| Operating profit                     |             | 14,345,411                     | 14,717,629               |
| Interest received and similar income |             | 9,015                          | 5,892                    |
| Profit before tax                    |             | <u>14,354,426</u>              | <u>14,723,521</u>        |
| Tax on profit                        | 5           | <u>(3,065,249)</u>             | <u>(2,893,194)</u>       |
| Profit for the financial year        |             | <u><u>11,289,177</u></u>       | <u><u>11,830,327</u></u> |

All activities from the current and preceding year were derived from continuing operations. There are no items of other comprehensive income for 2022 and 2021 other than those included in the Statement of Comprehensive Income. Accordingly, a separate Statement of Comprehensive Income has not been prepared.

The Notes on pages 20 to 29 form part of the financial statements.



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## Statement of Financial Position

|   |             | As at 31 December |                   |
|---|-------------|-------------------|-------------------|
|   | <u>Note</u> | <u>2022</u>       | <u>2021</u>       |
| <b>Fixed Assets</b>                             |             | <b>£</b>          | <b>£</b>          |
| Tangible assets                                 | 6           | 19,166,515        | 4,617,640         |
| <b>Current Assets</b>                           |             |                   |                   |
| Debtors   | 7           | 75,341,466        | 104,319,243       |
| Cash at bank and in hand                        |             | 4,153,639         | 1,395,967         |
| Total Current Assets                            |             | 79,495,105        | 105,715,210       |
| <b>Current Liabilities</b>                      |             |                   |                   |
| Creditors - amounts falling due within one year | 8           | (47,929,508)      | (73,247,320)      |
| <b>Net Current Assets</b>                       |             | <b>31,565,597</b> | <b>32,467,890</b> |
| Total Assets Less Current Liabilities           |             | 50,732,112        | 37,085,530        |
| <b>Creditors</b>                                |             |                   |                   |
| Amounts falling due after more than one year    | 9           | (5,991,524)       | (3,634,119)       |
| <b>Net Assets</b>                               |             | <b>44,740,588</b> | <b>33,451,411</b> |
| <b>Capital and Reserves</b>                     |             |                   |                   |
| Share capital                                   | 11          | 50,000            | 50,000            |
| Retained earnings                               |             | 44,690,588        | 33,401,411        |
| <b>Shareholders' Funds</b>                      |             | <b>44,740,588</b> | <b>33,451,411</b> |

The financial statements of Advent International Ltd (Registered No. 2342186) were approved by the board of directors and authorised for issue on 19 April 2023. They were signed on its behalf by:

\_\_\_\_\_  
 Director – J.A. Nuccio

The Notes on pages 20 to 29 form part of the financial statements.

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## Statement of Cash Flow

|  | <u>Note</u> | For the year ended 31 December<br><u>2022</u><br>£ | <u>2021</u><br>£ |
|--|-------------|--|------------------|
| Net Cash Flow from/(used in) Operating Activities    | 12          | 18,279,506   | (8,258,353)      |
| Cash Flows from Investing Activities                 |             |  |                  |
| Payments to acquire tangible fixed assets            | 6           | (15,526,859)                                       | (586,651)        |
| Interest received                                    |             | 5,025  | 5,892            |
| Net Cash Flows used in Investing Activities          |             | (15,521,834)                                       | (580,759)        |
| Net Increase/(Decrease) in Cash and Cash Equivalents |             | 2,757,672  | (8,839,112)      |
| Cash at Beginning of Year                            |             | 1,395,967  | 10,235,079       |
| Cash at End of the Year                              |             | 4,153,639  | 1,395,967        |

The Company has not presented an analysis of debt as it does not have any borrowings.

The Notes on pages 20 to 29 form part of the financial statements.

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## Statement of Changes in Equity

For the year ended 31 December 2022

|  | <u>Share<br/>Capital</u><br>£ | <u>Retained<br/>Earnings</u><br>£ | <u>Total</u><br>£ |
|--|-------------------------------|-----------------------------------|-------------------|
| At 1 January 2021                              | 50,000                        | 21,571,084                        | 21,621,084        |
| <b>Total Comprehensive Income for the Year</b> |                               |                                   |                   |
| Profit for the year                            | -                             | 11,830,327                        | 11,830,327        |
| At 31 December 2021                            | 50,000                        | 33,401,411                        | 33,451,411        |
| <b>Total Comprehensive Income for the Year</b> |                               |                                   |                   |
| Profit for the year                            | -                             | 11,289,177                        | 11,289,177        |
| At 31 December 2022                            | 50,000                        | 44,690,588                        | 44,740,588        |

The Notes on pages 20 to 29 form part of the financial statements.

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## Notes to the Financial Statements

For the year ended 31 December 2022

### General Information

The Company is a private company limited by shares and is incorporate in England. The address of the registered office is 160 Victoria Street, London SW1E 5LB, United Kingdom and is under the Companies Act 2006.

### 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the accounts:

(a) Basis of preparation

These Financial Statements are prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

(b) Going concern

In February 2022, the Russian Federation entered into a conflict with Ukraine. This confrontation has resulted in a raft of international sanctions targeting Russian and Belorussian businesses and individuals. The shock of the conflict and the resulting sanctions has had a material impact on the macro-economic environment in which the Company operates, including but not limited to a rise of inflation, interest rates and cost of living as well as supply bottlenecks and financing cost.

In response, the Company has continued to evaluate the impact and risk during 2022 and up till the date the financial statements were issued. Management carefully considered the Company's circumstances and risk exposures, as well as the potential economic impact of the conflict on the advisory services it provides to Advent International Corporation and Advent International Fund Manager S.a.r.l. Advent International Fund Manager S.a.r.l, a Luxembourg-based sister entity is a wholly owned subsidiary of Advent International Corporation.

Receivable balances due from Advent International Corporation, at 31 December 2022 will be fully collected in Q2 2023. In addition, payables at 31 December 2022 mostly related to vendor accruals, have been paid in Q1 2023. Advent International Corporation and Advent International Fund Manager S.a.r.l. both have stable and sufficient income derived from management fees earned from the closed-end funds to meet current financial obligations. The funds include Global Private Equity ("GPE") 10 (\$25bn), GPE 9 (\$17.5bn), Advent Tech II (\$4B) and Advent Latin American Private Equity Fund ("LAPEF") 7 (\$2B). Each of these closed-end funds has an investment period of 6 years, and a term of 10 years that can be extended or a new fund will be raised. Combined, these funds account for ~80% of the management fees earned by Advent International Corporation and Advent International Fund Manager S.a.r.l. The Limited Partner base for the funds is made up of large public pension funds, sovereign wealth funds, endowments, and other large institutions. Advent International Corporation has not had and does not anticipate any issues with the Limited Partner base being able to meet their capital calls. Therefore, the Company anticipates its income, based upon payments for services rendered, should continue uninterrupted.

The Company expects the 31 December 2023 balance sheet to be consistent with the 31 December 2022 balance sheet. Also, the Company has not, and does not anticipate a need to raise external financing to meet working capital needs both in the short or long term. Senior management is continually monitoring all applicable regulatory environments and keeping on top of compliance and filing deadlines. In conjunction, updated cash flow forecasts, and multiple scenario analysis are periodically evaluated to assess the full impact of the current environment.

The Company's board considered going concern for a minimum period of 12 months from the date the financial statements are approved. The board will continue to monitor the Company's circumstances and meet regularly to review potential risks as and when they develop. As a result, the Company's board also does not foresee a going concern risk.

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**Notes to the Financial Statements (continued)**

For the year ended 31 December 2022

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(c) **Advisory income**

The Investment Advisory Agreement was signed on 1 June 2019. The agreement defined that services would include investment advisory, investor, and administrative services. Profit before tax and net assets are almost wholly attributable to these income sources. All income is recorded monthly at cost plus 10% per the Investment Advisory Agreement. All turnover has been generated in the United Kingdom. Turnover is received from affiliated companies for investment advice rendered. Turnover represents the advisory fees received by the Company from its ultimate owner Advent International Corporation ("AIC") and Advent International Fund Manager S.A.R.L ("AIFM"), which in turn is owned by AIC, in accordance with the Investment Advisory Agreement signed between the Company and its ultimate owner. Turnover is measured at the fair value of the consideration received or receivable, net of value added taxes. Turnover includes revenue earned from the rendering of services.

(d) **Foreign currencies**

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. The presentational and functional currency of the Company is British pound sterling ("GBP").

(e) **Leases**

Operating leases – lessor

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease. The Company has short-term arrangements to lease space within its corporate building to third parties. These arrangements do not result in the recognition of investment properties (see key judgements and sources of estimation uncertainty in (I)) and are treated as operating leases.

Lease income under operating leases is generally credited to profit or loss on a straight-line basis over the lease term. However, when rental payments are structured to increase in line with expected general inflation the Company recognises annual rent income equal to the amounts owed by the lessees. The aggregate costs of lease incentives are recognised as a reduction to the income recognised over the lease term on a straight-line basis.

(f) **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences, which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, deferred tax is provided at the rates and allowances applicable to the sale

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## Notes to the Financial Statements (*continued*)

For the year ended 31 December 2022

- (g) **Taxation (continued)**  
of the asset/property. Except when the investment property has a limited useful life and the objective of the Company's business model is to consume substantially all of the value through use. In the latter case, the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

- (h) **Financial instruments**  
The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, trade and other creditors.
- (i) **Financial assets**  
Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. 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 trade and other payables are initially recognised at transaction price. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables 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.

Financial instruments issued by the Company are treated as equity (i.e., forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the Company; and
- (ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.
- (i) **Cash and cash equivalents**  
Cash and cash equivalents comprise of cash in hand and deposits repayable on demand, less overdrafts payable on demand.

**Interest income**

Interest income is earned on cash balances, and is recognized in profit or loss in the period in which it was earned. There are no other sources of interest income.

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## Notes to the Financial Statements (*continued*)

For the year ended 31 December 2022

- (j) **Post retirement benefit**  
The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the balance sheet and profit and loss account represents the difference between contributions payable and contributions paid to the scheme in respect of the accounting period.

- (k) **Dividends on shares presented within shareholders' funds**  
Dividends are only recognised as a liability at that date to the extent that they are approved prior to the year-end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

- (l) **Fixed assets and depreciation**  
Fixed assets are initially measured at cost and depreciation is provided to write-off the cost less estimated residual value of tangible fixed assets by equal installments over their estimated useful economic lives on a straight line basis as follows:

|                         |                            |
|-------------------------|----------------------------|
| Leasehold Improvements  | Over the life of the lease |
| Furniture and Equipment | 2-5 years                  |

- (m) **Key judgements and sources of estimation uncertainty**  
There are no key sources of estimation uncertainty that have a material impact on the Company's financial statements.

### Critical accounting judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors believe that there are no critical accounting judgements made in the process of applying the Company's accounting policies that would have a significant effect on the amounts recognised in the statutory financial statements.

## 2. Auditor's Remuneration

Included in profit are the following charges:

|                                      | <u>2022</u>   | <u>2021</u>    |
|--------------------------------------|---------------|----------------|
|                                      | £             | £              |
| Auditing of the financial statements | 58,500        | 50,656         |
| Fees related to taxation             | 19,122        | 44,528         |
| CASS* Audit Fees                     | 8,250         | 7,500          |
| Total Auditors' Remuneration         | <u>85,872</u> | <u>102,684</u> |

\* Client Assets Sourcebook

No other non-audit services have been performed.

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## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 3. Administrative Expenses

|                                     | <u>2022</u>        | <u>2021</u>        |
|-------------------------------------|--------------------|--------------------|
|                                     | £                  | £                  |
| Employee Costs:                     |                    |                    |
| Wages and salaries                  | 102,784,014        | 116,783,093        |
| Social security costs               | 14,911,007         | 17,436,046         |
| Cost of defined pension schemes     | 403,651            | 397,683            |
| Total Employee Costs                | <u>118,098,672</u> | <u>134,616,822</u> |
| Other Administrative Costs          | 22,244,332         | 12,306,973         |
| Depreciation (Note 6)               | 957,243            | 854,878            |
| Foreign exchange loss               | 381,765            | 111,690            |
| Total Other Administrative Expenses | <u>23,583,340</u>  | <u>13,273,541</u>  |
| Total Administrative Expenses       | <u>141,682,012</u> | <u>147,890,363</u> |

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

|                          | <u>2022</u> | <u>2021</u> |
|--------------------------|-------------|-------------|
| Professional employees   | 102         | 91          |
| Administrative employees | 23          | 17          |
| Total Employees          | <u>125</u>  | <u>108</u>  |

### 4. Directors' Emoluments

There were six UK directors during 2022 (2021: five). Directors' emoluments during the year totaled £15,741,692 (2021: £9,710,413). The amount of emoluments paid in respect of the highest paid director during the year totaled £13,276,673 (2021: £7,529,172). All five UK directors accrued £8,956 (2021: £8,958) of retirement benefits. The Company made £1,756 contributions to a defined pension scheme.

### 5. Tax on Profit

|   | <u>2022</u>      | <u>2021</u>      |
|---|------------------|------------------|
|   | £                | £                |
| UK corporation tax on profits of the period | 1,300,239        | 2,822,766        |
| Prior year adjustment                       | (24,424)         | 1,548            |
| Total Current Tax                           | <u>1,275,815</u> | <u>2,824,314</u> |
| Deferred tax liability (Note 10)            |                  |                  |
| Origination/reversal of timing differences  | 1,790,249        | 113,510          |
| Prior year adjustment                       | (815)            | (44,630)         |
| Total Deferred Tax                          | <u>1,789,434</u> | <u>68,880</u>    |
| Tax on Profit                               | <u>3,065,249</u> | <u>2,893,194</u> |



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## Notes to the Financial Statements *(continued)*

For the year ended 31 December 2022

### 5. Tax on Profit (continued)

Factors affecting the tax charge for the period:

The tax assessed on the profit for the period is higher (2021: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

|   | <u>2022</u><br>£  | <u>2021</u><br>£  |
|---|-------------------|-------------------|
| Profit before tax                               | <u>14,354,426</u> | <u>14,723,521</u> |
| Standard rate of corporate tax in the UK of 19% | 2,727,341         | 2,797,469         |
| Disallowed expenses and non-taxable income      | 257,168           | 56,604            |
| Changes in tax rates (25%, 2021: 25%)           | 429,464           | 82,203            |
| Enhanced capital allowances                     | (323,485)         | -                 |
| Deferred tax asset                              |                   |                   |
| Prior year adjustment                           | <u>(25,239)</u>   | <u>(43,082)</u>   |
| Current tax charge for the period               | <u>3,065,249</u>  | <u>2,893,194</u>  |

Factors affecting future tax charges:

The current UK corporation tax rate is 19%. In March 2021, the UK Government announced their intention to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This change to the corporation tax rate was substantially enacted as at the balance sheet date and is reflected in the calculation of deferred tax balances as at 31 December 2022.

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## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 6. Tangible Assets

|                       | <u>Leasehold<br/>Improvements</u><br>£ | <u>Furniture And<br/>Equipment</u><br>£ | <u>Total</u><br>£ |
|-----------------------|--|---|-------------------|
| <b>Cost</b>           |  |   |                   |
| At 1 January 2022     | 5,768,323                              | 3,557,686                               | 9,326,009         |
| Additions             | 11,124,026                             | 4,402,833                               | 15,526,859        |
| Disposals             | -                                      | (20,741)                                | (20,741)          |
| At 31 December 2022   | <u>16,892,349</u>                      | <u>7,939,778</u>                        | <u>24,832,127</u> |
| <b>Depreciation</b>   |  |   |                   |
| At 1 January 2022     | 1,898,749                              | 2,809,620                               | 4,708,369         |
| Charge for the year   | 498,101                                | 464,774                                 | 962,875           |
| Disposals             | -                                      | (5,632)                                 | (5,632)           |
| At 31 December 2022   | <u>2,396,850</u>                       | <u>3,268,762</u>                        | <u>5,665,612</u>  |
| <b>Net Book Value</b> |  |   |                   |
| At 31 December 2022   | <u>14,495,499</u>                      | <u>4,671,016</u>                        | <u>19,166,515</u> |
| At 1 January 2022     | <u>3,869,574</u>                       | <u>748,066</u>                          | <u>4,617,640</u>  |

### 7. Debtors

|                                    | <u>2022</u><br>£  | <u>2021</u><br>£   |
|------------------------------------|-------------------|--------------------|
| Due from related parties (Note 16) | 69,941,946        | 99,919,404         |
| Other debtors                      | 3,505,102         | 2,815,309          |
| Prepayments                        | 1,796,930         | 1,581,285          |
| Trade debtors                      | 97,488            | 3,245              |
| Total Debtors                      | <u>75,341,466</u> | <u>104,319,243</u> |

Typical payment terms for trade debtors are 30 days. No interest is charged on late payments of debtors or related parties.

### 8. Creditors - amounts falling due within one year

|                                       | <u>2022</u><br>£  | <u>2021</u><br>£  |
|---------------------------------------|-------------------|-------------------|
| Social security costs and other taxes | 43,017,150        | 44,113,079        |
| Trade creditors                       | 5,007,230         | 383,694           |
| Corporation tax                       | (154,121)         | 2,387,201         |
| Accrued expenses                      | 59,249            | 26,363,346        |
| Total Creditors                       | <u>47,929,508</u> | <u>73,247,320</u> |

All payroll related costs are paid in Real Time (per HMRC rules). Corporation tax payments are made quarterly in advance. No interest is incurred on either accrued or related party expenses.

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## Notes to the Financial Statements (*continued*)

For the year ended 31 December 2022

### 9. Creditors - amounts falling due after more than one year

|                                  | <u>2022</u>      | <u>2021</u>      |
|----------------------------------|------------------|------------------|
|                                  | £                | £                |
| Accrued expenses – deferred rent | 3,859,579        | 3,291,608        |
| Deferred tax liability (Note 10) | 2,131,945        | 342,511          |
| Total Creditors                  | <u>5,991,524</u> | <u>3,634,119</u> |

### 10. Deferred Tax

The movements in deferred taxation during the current and previous years are as follows:

|                          | <u>2022</u>        | <u>2021</u>      |
|--------------------------|--------------------|------------------|
|                          | £                  | £                |
| At 1 January             | (342,511)          | (273,631)        |
| Prior year adjustment    | 815                | 44,630           |
| Provided during the year | (1,790,249)        | (113,510)        |
| At 31 December           | <u>(2,131,945)</u> | <u>(342,511)</u> |

The deferred tax consists of:

|                                | <u>2022</u>        | <u>2021</u>      |
|--------------------------------|--------------------|------------------|
|                                | £                  | £                |
| Accelerated capital allowances | (2,152,482)        | (369,346)        |
| Pension accrual                | 20,537             | 26,835           |
| Total deferred tax liability   | <u>(2,131,945)</u> | <u>(342,511)</u> |

The standard rate of corporation tax, at 31 December 2022, in the UK, remained unchanged from 19%. The UK Government has since confirmed that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023.

### 11. Share Capital

| Ordinary shares of £1 each                    |                     | <u>2022</u>   | <u>2021</u>   |
|---|---------------------|---------------|---------------|
|   | Number of<br>shares | £             | £             |
| Allotted, called up and fully paid            |                     |               |               |
| Advent International Corporation              | 49,500              | 49,500        | 49,500        |
| Advent International Financial Services, Inc. | 500                 | 500           | 500           |
| Total   | <u>50,000</u>       | <u>50,000</u> | <u>50,000</u> |

Ordinary shares have full voting and dividend rights.

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## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 12. Net Cash Flow from/(used in) Operating Activities

Reconciliation of operating profit to net cash flow from operating activities:

|   | <u>2022</u>       | <u>2021</u>        |
|---|-------------------|--------------------|
|   | £                 | £                  |
| Operating profit                                    | 14,345,411        | 14,717,629         |
| Depreciation  | 957,243           | 854,878            |
| Loss on disposal of assets                          | 20,741            | 215                |
| Corporation Tax Paid                                | (2,309,371)       | (803,999)          |
| Decrease/(Increase) in debtors                      | 28,977,777        | (57,455,265)       |
| (Decrease)/Increase in creditors                    | (23,712,295)      | 34,428,189         |
| Net Cash Inflow/(Outflow) from Operating Activities | <u>18,279,506</u> | <u>(8,258,353)</u> |

### 13. Operating Leases

At 31 December 2022, the Company had annual commitments under non-cancellable operating lease as follows:

|                                       | <u>2022</u>                | <u>2021</u>                |
|---------------------------------------|----------------------------|----------------------------|
|                                       | <u>Land &amp; Building</u> | <u>Land &amp; Building</u> |
|                                       | £                          | £                          |
| Within one year                       | 3,213,849                  | 1,844,874                  |
| In the second to fifth year inclusive | 16,069,244                 | 7,379,497                  |
| More than five years                  | 11,781,123                 | 8,361,446                  |
| Total operating leases                | <u>31,064,216</u>          | <u>17,585,817</u>          |

The lease commitments above are in respect to a lease entered into on 29 June 2015. The lease was subsequently amended in 2017. During the year, £2,575,093 was recognised as an expense in the income statement in respect of operating leases (2021: £1,773,100).

### 14. Sublease - Arrangements for which Advent International Ltd is the lessor

On 24 June 2022, Advent International Ltd entered into an operating lease arrangement to sublease office space to a third party for a term of five years. After an initial 3 month rent-free period, the rent is then payable quarterly in advance.

As at 31 December 2022, the minimum lease payments receivable under the sublease agreement are:

|   | <u>2022</u>                | <u>2021</u>                |
|---|----------------------------|----------------------------|
|   | <u>Land &amp; Building</u> | <u>Land &amp; Building</u> |
|   | £                          | £                          |
| Not later than one year                           | 775,464                    | -                          |
| Later than one year but not later than five years | 2,520,257                  | -                          |
| More than five years                              | -                          | -                          |
| Total operating leases                            | <u>3,295,721</u>           | <u>-</u>                   |

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### 15. Parent Company

The parent undertaking and controlling party is Advent International Corporation (largest and smallest consolidating entity), incorporated in the United States of America. Copies of Advent International Corporation's accounts are held at its registered office at Prudential Tower, 800 Boylston Street Boston, MA 02199-8069 USA. Advent International Ltd's results are included within these accounts.

### 16. Related Party Disclosures

At 31 December 2022, the balances from related parties were:

|  | <u>2022</u>              | <u>2021</u>              |
|--|--------------------------|--------------------------|
|  | £                        | £                        |
| Amounts from the parent company:           |                          |                          |
| Advent International Corporation           | <u>48,645,859</u>        | <u>86,800,448</u>        |
| Amounts from sister companies:             |                          |                          |
| Advent International Fund Manager S.a.r.l. | 20,977,873               | 12,949,689               |
| Sunley House Capital Management Ltd        | 140,773                  | 49,347                   |
| Advent International Luxembourg S.a.r.l.   | 119,232                  | 20,202                   |
| Advent International SAS                   | 47,021                   | -                        |
| Advent International S.L.                  | 11,385                   | 26,841                   |
| Advent International GmbH                  | 412                      | -                        |
| Advent International SRL                   | (609)                    | 72,877                   |
| Total from sister companies:               | <u>21,296,088</u>        | <u>13,118,956</u>        |
| Total Related Parties                      | <u><u>69,941,946</u></u> | <u><u>99,919,404</u></u> |

Advisory fee income represents amounts charged to the parent company and AIFM. Total revenue for 2022 is disclosed within the Statement of Comprehensive Income.

Related parties' balances, as of December 31, 2022 and 2021 relate to services rendered by the Company and are non-interest bearing. Service provider shall invoice recipient at least quarterly for the services performed during the prior quarter and shall provide such supporting documentation as recipient may reasonably request. Payment for all services shall be made within 30 days of recipients' receipts of such invoice and supporting documentation, shall be payable in U.S. Dollars, British Pounds, or Euro.

### 17. Subsequent Events

There are no subsequent events that have occurred between December 31 and the date of presentation of the financial statements.