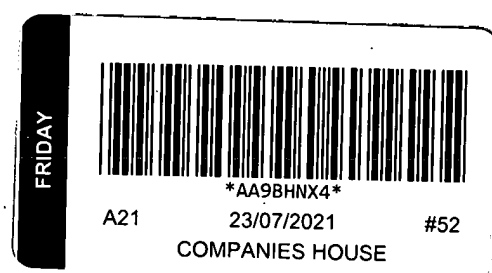


Advent International Ltd
Annual Report and Financial Statements

Advent International Ltd
Registered Number 2342186

Annual Report and Financial Statements
For the year ended 31 December 2020



Advent International Ltd
Annual report and financial statements

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Strategic Report

The directors present the strategic report of Advent International Ltd (the “Company”) for the year ended 31 December 2020.

Principal Activity

The Company 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 manager of private equity funds. On 1 June 2019, the Company started providing investment advice to Advent International Fund Manager, S.a.r.l. (“AIFM”), a Luxembourg based alternative investment fund manager. 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 returns. In addition, the Company provides administrative services to and on the behalf of Advent International Corporation and Advent International Fund Manager, S.a.r.l.

The Company is part of Advent International Corporation, a global private equity buyout group with offices in 13 countries on four continents. Ongoing review of 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.

Review of the Business and Key Performance Indicators

The business activities during the year through 31 December 2020 were in line with the Company’s expectations.

The profit for the year, after taxation, amounted to £4,614,403 (2019: £6,961,806) which has been taken to reserves.

Turnover for the year was £109,605,880 (2019: £93,794,640), which comprises fees earned from investment advisory services.

At the year end, the Company had net assets of £21,621,084 (2019: £17,006,681).

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. 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 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 and the retention of key employees.

The Company’s revenue is derived from services provided to the parent and AIFM. The Company’s principal risks relate 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.

Strategic Report (continued)

Principal Risks, Uncertainties & Governance (continued)

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.

Following the referendum in June 2016 and the subsequent triggering of Article 50 in March 2017, the UK withdrew from the European Union on 31 January 2020, with a twelve-month transition period. The decision has led to a higher level of uncertainty surrounding trading conditions, particularly between the UK and the EU. On 30 December 2020, an EU-UK Trade and Cooperation Agreement was signed between the UK and the EU providing free trade in goods and limited mutual market access in services. These risks are mitigated by regular monitoring and analysis of key information by the directors and senior management who take appropriate action to ensure the business continues as a going concern.

To date, the actual and/or potential impact of Brexit on the Company's business are:

- Economic conditions: increased uncertainty including the specific impacts on growth, inflation, interest and currency rates;
- Laws and regulations: potential ongoing changes to UK and EU-based law and regulation; and
- Talent: mobility of the workforce and availability of talent.

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:

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

Advent International Ltd
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Strategic Report (continued)

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

Strategic Report (continued)

Future Developments

The directors and senior management's aim is to maintain the management policies that have resulted in the Company's current success. Whilst the private equity investment environment continued to be challenging in 2020, 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.

On behalf of the Board



Justin Nuccio

Director

15 April 2021

Advent International Ltd
Annual report and financial statements

Directors' Report

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

Directors and Their Interest:

The directors who held office during the year were as follows:

R.F. Kane
J.A. Nuccio
E.H. Sivoilella
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 Little New Street
London EC4A 3TR

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

Directors' Report (continued)

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

At this time, the Company does not anticipate paying a dividend for the financial year ended 2020.

Events After the Reporting Period

There have been no events since the statement of financial position date which materially affect the position of the Company.

Going Concern

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic. The COVID-19 pandemic has continued to have a significant effect on economic conditions around the world throughout the year. During this time, the Company's employees have continued to work from their homes. Based on the nature of the services provided, the Company has also been able to operate effectively and with minimal interruptions.

The Company has continued to evaluate the impact and risk of the COVID-19 pandemic that occurred during 2020 and up till the date the financial statements were issued. Management carefully considered the Company's unique circumstances and risk exposures, as well as the potential economic impact of the COVID-19 pandemic 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. Given the ability of the Company's workforce to operate effectively from home, the fundamental nature of its business has not been negatively impacted throughout 2020. The Company's day-to-day operations, as a result, are effectively unchanged.

Receivable balances due from Advent International Corporation., at 31 December 2020 will be fully collected in Q2 2021. In addition, payables at 31 December 2020 mostly related to vendor accruals, have been paid in Q1 2021. Advent International Corporation and Advent International Fund Manager S.a.r.l. both have stable and sufficient income derived from management fees earned from closed-end funds to meet current financial obligations. 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.

The Company anticipates its income, based upon payments for services rendered, should continue uninterrupted. The Company expects the 31 December 2021 balance sheet to be consistent with the 31 December 2020 balance sheet. Also, the Company has not, and does not anticipate a need to raise external financing to meet working capital needs. 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.

Directors' Report (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 COVID-19 pandemic 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 a floor of 160 Victoria Street, also known as Nova South. Advent is a tenant of Landsec.

For each financial year, Advent is required to report the following energy and emissions data:

- **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.
- **Greenhouse gas (GHG) emissions** attributable to UK energy use.

Reportable Data

The operational impacts of the COVID-19 pandemic have seen a reduction in Advent's energy consumption through 2020, with the employees not frequenting the office and the subsequent drop in use of IT equipment, lighting, and in-house catering services. The longevity and outcomes of the COVID-19 pandemic will determine whether this reduction in energy consumption is a short-term anomaly or a longer-term trend.

UK energy source	Consumption kWh	GHG emissions tCO ₂ e
Electricity (Scope 2)	171,291.13	39.93
Heat (Scope 2)	321,396.12	55.48
Gas (Scope 1)	3,119.34	0.57
Transport fuel (Scope 1)	0.00	0.00
Total	495,806.59	95.98

Additional information

Intensity ratio	0.93 tCO ₂ e/employee
Methodology	GHG Protocol Corporate Accounting and Reporting Standard

Energy Efficiency Narrative

In 2019, Advent's ESOS compliance audit identified a range of energy efficiency opportunities which may be appropriate to implement when business returns to a post-COVID-19 pandemic normal. These include installation of controls on point-of-

Directors' Report (continued)

use water heaters; an increase in server design temperature; a decrease in core heating temperature; a decrease in PIR (passive infra-red) sensor run-on time; improvements in house-keeping and staff awareness and improvements in BBS (building management system) controls.

Estimations

Several gaps in verifiable energy consumption data required the use of estimates and pro-rata extrapolation. These gaps are:

- December 2020 electricity and heat consumption. The estimation involved calculating the % change in year-on-year November consumption, and applying that change to the 2019 December consumption. This allows the effect of the pandemic to be taken into account.
- Due to a lack of meter reading during the COVID-19 pandemic, a single figure was provided for gas consumption between April 2020 and February 2021. The figure was pro-rated to produce a number for the period April to December 2020 inclusive.

Intensity ratio

Advent has elected to use the intensity ratio of tCO₂e per employee. At 1st January 2021, the company had a headcount of 103 employees. 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. Conversion factors from the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) have been used to calculate GHG emissions. Scope 2 emissions are calculated using the location-based approach.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware;
- 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 auditors will be reappointed and Deloitte LLP will continue in office.

Approved by the board and signed on its behalf by:



Justin Nuccio
Director
15 April 2021

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'):

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its profit for the year then ended;
- 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flow;
- the Statement of Changes in Equity
- the related notes 1 to 16.

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.

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

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. 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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- 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
- 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:

- 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;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

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:

- 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
- 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:

- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- 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.

Paraskevas Christoforou

Paraskevas Christoforou (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
15 April 2021

Advent International Ltd
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Statement of Comprehensive Income

	<u>Note</u>	For the year ended 31 December	
		<u>2020</u>	<u>2019</u>
		£	£
Advisory fee income		<u>109,605,880</u>	<u>93,794,640</u>
Turnover		109,605,880	93,794,640
Administrative expenses	3	<u>(103,665,980)</u>	<u>(85,255,809)</u>
Operating profit		5,939,900	8,538,831
Interest received and similar income		<u>2,530</u>	<u>3,624</u>
Profit on ordinary activities before tax		5,942,430	8,542,455
Tax on profit on ordinary activities	4	<u>(1,328,027)</u>	<u>(1,580,649)</u>
Profit for the financial year		<u><u>4,614,403</u></u>	<u><u>6,961,806</u></u>

Other than the items in the income statement above, there are no other items of comprehensive income and accordingly, a separate statement of comprehensive income has not been prepared.

The Notes on pages 19 to 27 form part of the financial statements.

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Statement of Financial Position

		As at 31 December	
	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
Fixed Assets			
Tangible assets	6	4,886,082	5,214,907
Current Assets			
Debtors	7	46,863,979	43,147,110
Cash at bank and in hand		10,235,079	1,477,944
		57,099,058	44,625,054
Current Liabilities			
Creditors - amounts falling due within one year	8	(36,453,496)	(28,760,675)
Net Current Assets		20,645,562	15,864,379
Total Assets Less Current Liabilities		25,531,644	21,079,286
Creditors			
Amounts falling due after more than one year	9	(3,910,560)	(4,072,605)
Net Assets		21,621,084	17,006,681
Capital and Reserves			
Called-up share capital	11	50,000	50,000
Retained earnings		21,571,084	16,956,681
Shareholders' Funds		21,621,084	17,006,681

The financial statements of Advent International Limited (Registered No. 2342186) were approved by the board of directors and authorized for issue on 15 April 2021. They were signed on its behalf by:



Director – Justin Nuccio

The Notes on pages 19 to 27 form part of the financial statements.

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Statement of Cash Flow

	<u>Note</u>	For the year ended 31 December	
		<u>2020</u>	<u>2019</u>
		£	£
Net Cash Flow from Operating Activities	12	9,223,374	1,049,531
Cash Flows from Investing Activities			
Payments to acquire tangible fixed assets		<u>(468,769)</u>	<u>(325,698)</u>
Net Cash Flows used in Investing Activities		<u>(468,769)</u>	<u>(325,698)</u>
Cash Flows from Financing Activities			
Interest received		<u>2,530</u>	<u>3,624</u>
Net Cash Flows from Financing Activities		<u>2,530</u>	<u>3,624</u>
Net Increase in Cash and Cash Equivalents		<u>8,757,135</u>	<u>727,457</u>
Cash at Beginning of Year		<u>1,477,944</u>	<u>750,487</u>
Cash at End of the Year		<u>10,235,079</u>	<u>1,477,944</u>

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

The Notes on pages 19 to 27 form part of the financial statements.

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Statement of Changes in Equity

For the year ended 31 December 2020

	<u>Share Capital</u> £	<u>Retained Earnings</u> £	<u>Total</u> £
At 1 January 2019	50,000	9,994,875	10,044,875
Total Comprehensive Income for the Year			
Profit for the year	-	6,961,806	6,961,806
At 1 January 2020	50,000	16,956,681	17,006,681
Total Comprehensive Income for the Year			
Profit for the year	-	4,614,403	4,614,403
At 31 December 2020	50,000	21,571,084	21,621,084

The Notes on pages 19 to 27 form part of the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

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 March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic. The COVID-19 pandemic has continued to have a significant effect on economic conditions around the world throughout the year. During this time, the Company's employees have continued to work from their homes. Based on the nature of the services provided, the Company's board has also been able to operate effectively and with minimal interruptions.

The Company's board has continued to evaluate the impact and risk of the COVID-19 pandemic that occurred during 2020 and up till the date the financial statements were issued. Management also carefully considered the Company's unique circumstances and risk exposures, as well as the potential economic impact of the COVID-19 pandemic 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. Given the ability of the Company's workforce to operate effectively from home, the fundamental nature of its business has not been negatively impacted throughout 2020. The Company's day-to-day operations, as a result, are effectively unchanged.

Receivable balances due from Advent International Corporation., at 31 December 2020 will be fully collected in Q2 2021. In addition, payables at 31 December 2020 mostly related to vendor accruals, have been paid in Q1 2021. Therefore, the Company anticipates its income, based upon payments for services rendered, should continue uninterrupted. The Company's board expects the 31 December 2021 balance sheet to be consistent with the 31 December 2020 balance sheet.

The Company has not, and does not anticipate a need to raise external financing to meet working capital needs. 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 COVID-19 pandemic throughout 2020 and will continue to meet regularly to review potential risks as and when they develop. As a result, the directors also do not foresee a going concern risk.

(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.

Notes to the Financial Statements (continued)For the year ended 31 December 2020

(d) Revenue Recognition Policy

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 LLC ("AIC") and Advent International Fund Manager S.A.R.L I ("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.

(e) Key Judgements and Sources of Estimation Uncertainty

The preparation of these financial statements requires the directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as at the statement of financial position date. In the event that such estimates and assumptions which are based on the best judgment of the Directors as at the statement of the financial position date deviate from the actual circumstances in the future, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Critical accounting judgements

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.

(f) 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 GBP.

(g) Leases

Operating lease rentals are charged to profit and loss account on a straight-line basis over the term of the lease.

(h) 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 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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.

(i) 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and deposits repayable on demand, less overdrafts payable on demand.

(k) 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 profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(l) 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.

(m) Fixed assets and depreciation

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 as follows:

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

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Notes to the Financial Statements (*continued*)

For the year ended 31 December 2020

2. Auditor's Remuneration

Included in profit/loss are the following charges/(credits):

	<u>2020</u>	<u>2019</u>
	£	£
Audit fees	46,284	42,400
Fees related to taxation	41,885	(23,049)
Other Fees	6,365	6,000
Total Auditors' Remuneration	<u>95,534</u>	<u>25,351</u>

3. Administrative Expenses

	<u>2020</u>	<u>2019</u>
	£	£
Staff Costs:		
Wages and salaries	75,310,789	60,728,637
Social security costs	10,906,760	8,706,807
Cost of defined pension schemes	362,332	291,013
Total Staff Costs	<u>86,579,881</u>	<u>69,726,457</u>
Other costs	4,693,743	479,255
Personnel costs	2,402,973	2,676,512
Information technology expenses	1,965,839	1,397,901
Office lease expense	1,741,615	1,778,245
Occupancy service costs and real estate rates	1,577,549	1,599,816
Travel and entertainment costs	1,501,091	4,459,923
Professional fees	999,208	868,440
Depreciation	797,529	970,065
Employee meetings and trainings	607,290	552,609
Marketing expenses	510,274	680,650
Foreign exchange loss	288,988	65,936
Total Other Administrative Costs	<u>17,086,099</u>	<u>15,529,352</u>
Total Administrative Expenses	<u>103,665,980</u>	<u>85,255,809</u>

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Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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

	<u>2020</u>	<u>2019</u>
Professional staff	79	71
Admin Staff	18	18
Total Staff	<u>97</u>	<u>89</u>

4. Tax on Profit on Ordinary Activities

	<u>2020</u>	<u>2019</u>
	£	£
UK corporation tax on profits of the period	1,128,405	1,708,545
Prior year adjustment	16,346	-
Total Current Tax	<u>1,144,751</u>	<u>1,708,545</u>
Deferred tax (Note 10)		
Origination/reversal of timing differences	92,094	(127,896)
Prior year adjustment	91,182	-
Total Deferred Tax	<u>183,276</u>	<u>(127,896)</u>
Tax on Profit on Ordinary Activities	<u>1,328,027</u>	<u>1,580,649</u>

Factors affecting the tax charge for the period:

The tax assessed on the profit on ordinary activity for the period is higher (2019: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2020</u>	<u>2019</u>
	£	£
Profit on ordinary activities before tax	<u>5,942,430</u>	<u>8,542,455</u>
Standard rate of corporate tax in the UK of 19% (2019: 19%)	1,129,062	1,623,066
Disallowed expenses and non-taxable income	91,437	79,616
Depreciation in excess of capital allowance	-	19,128
Timing Differences	-	(13,265)
Deferred tax (Note 10)		
Origination/reversal of timing differences	-	(127,896)
Prior year adjustment	107,528	-
Current tax charge for the period	<u>1,328,027</u>	<u>1,580,649</u>

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Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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 not enacted as at the balance sheet date and is not reflected in the calculation of deferred tax balances as at 31 December 2020.

5. Directors' Emoluments

There were five UK directors during 2020 (2019: six). Directors' emoluments during the year totaled £5,818,619 (2019: £21,665,408). The amount of emoluments paid in respect of the highest paid director during the year totaled £3,887,441 (2019: £17,850,114). The amount of pension contributions made to directors during the year totaled £13,852 (2019: £14,854).

6. Tangible Assets

	Leasehold Improvements £	Furniture And Equipment £	Total £
Cost			
At 1 January 2020	5,566,982	2,703,887	8,270,869
Additions	100,640	368,129	468,769
Disposals	-	(65)	(65)
At 31 December 2020	<u>5,667,622</u>	<u>3,071,951</u>	<u>8,739,573</u>
Depreciation			
At 1 January 2020	1,094,261	1,961,701	3,055,962
Charge for the year	405,821	391,708	797,529
At 31 December 2020	<u>1,500,082</u>	<u>2,353,409</u>	<u>3,853,491</u>
Net Book Value			
At 31 December 2020	<u>4,167,540</u>	<u>718,542</u>	<u>4,886,082</u>
At 1 January 2020	<u>4,472,721</u>	<u>742,186</u>	<u>5,214,907</u>

7. Debtors

	2020 £	2019 £
Due from related parties (Note 15)	44,274,014	40,977,770
Prepayments	1,212,314	1,451,860
Other Debtors	1,368,939	716,320
Trade Debtors	8,712	1,160
Total Debtors	<u>46,863,979</u>	<u>43,147,110</u>

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Notes to the Financial Statements (continued)

For the year ended 31 December 2020

8. Creditors - amounts falling due within one year

	<u>2020</u>	<u>2019</u>
	£	£
Social security costs and other taxes	35,007,828	27,384,656
Corporation tax	366,887	904,545
Accrued Expenses	141,127	113,495
Trade Creditors	937,654	357,979
Total Creditors	<u>36,453,496</u>	<u>28,760,675</u>

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

	<u>2020</u>	<u>2019</u>
	£	£
Deferred tax liability (Note 10)	273,631	90,355
Accrued expenses – deferred rent	3,636,929	3,982,250
Total Creditors	<u>3,910,560</u>	<u>4,072,605</u>

10. Deferred Tax

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

	<u>2020</u>	<u>2019</u>
	£	£
At 1 January	(90,355)	(218,251)
Prior year adjustment	(91,182)	-
Provided during the year	(92,094)	127,896
At 31 December	<u>(273,631)</u>	<u>(90,355)</u>

The deferred tax consists of:

	<u>2020</u>	<u>2019</u>
	£	£
Accelerated capital allowances	(294,026)	(76,966)
Pension accrual	20,395	(13,389)
Total deferred tax liability	<u>(273,631)</u>	<u>(90,355)</u>

The standard rate of corporation tax, at 31 December 2020, in the UK, remained unchanged from 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 not enacted as at the balance sheet date and is not reflected in the calculation of deferred tax balances as at 31 December 2020.

11. Share Capital

	<u>2020</u>	<u>2019</u>
	Number of shares	Number of shares
Ordinary shares of £1 each		
Allotted, called up and fully paid	50,000 <u>50,000</u>	50,000 <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 2020

12. Reconciliation of Operating Profit to Net Cash Flow

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

	<u>2020</u>	<u>2019</u>
	£	£
Operating profit	5,939,900	8,538,831
Depreciation	797,529	970,065
(Gain)/Loss on disposal of assets	65	-
Interest Receivable	2,510	-
(Increase)/Decrease in debtors	(3,719,380)	(7,349,747)
Increase/(Decrease) in creditors	7,885,158	590,251
Taxation	(1,682,408)	(1,699,869)
Net Cash Inflow from Operating Activities	<u>9,223,374</u>	<u>1,049,531</u>

13. Operating Leases

At 31 December 2020 and 2019, the Company had annual commitments under non-cancellable operating lease as follows:

	<u>2020</u>	<u>2019</u>
	<u>Land & Building</u>	<u>Land & Building</u>
	£	£
Within one year	1,844,874	1,844,874
In the second to fifth year inclusive	7,379,496	7,379,496
More than five years	10,206,320	12,051,195
Total operating leases	<u>19,430,690</u>	<u>21,275,565</u>

The lease commitments above are in respect to a lease entered into on 29 June 2015, as amended post year-end effective in 2017. During the year, £1,741,615 was recognised as an expense in the income statement in respect of operating leases (2019: £1,778,245).

14. Parent Company

The parent undertaking is Advent International Corporation, 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.

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Notes to the Financial Statements (continued)

For the year ended 31 December 2020

15. Related Party Disclosures

At 31 December 2020 and 2019, the balances (due to)/from related parties were:

	<u>2020</u>	<u>2019</u>
	£	£
Amounts from the parent company:		
Advent International Corporation	<u>36,900,156</u>	<u>34,290,644</u>
Amounts (due to)/from sister companies:		
Advent International Fund Manager S.A.R.L.	7,332,568	6,636,167
Sunley House Capital Management Ltd.	41,290	49,339
Advent International Advisory, S.R.U.	-	(571)
Advent International SRL	-	838
Advent International SAS	-	1,353
Total from sister companies:	<u>7,373,858</u>	<u>6,687,126</u>
Total Related Parties	<u><u>44,274,014</u></u>	<u><u>40,977,770</u></u>

Advisory fee income represents amounts charged to the parent company. Total revenue for 2020 is disclosed within the Statement of Comprehensive Income.

Related parties' balances, as of December 31, 2020 and 2019 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.

On 17 January 2020, as part of an internal reorganization, Advent International Corporation transferred 500 of its shares of Advent International Ltd to Advent International Financial Services, Inc.

16. Subsequent Events

There were no subsequent events to report up until the date these financial statements were issued.