

Permira Advisers (London) Limited

02853841

Annual Report 31 December 2021



PERMIRA

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Company Information

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

Strategic Report (continued)

for the year ended 31 December 2021

The directors present their Strategic Report on the group financial statements for the year ended 31 December 2021.

Business review and principal activities

Permira Advisers (London) Limited ("the company"), is an investment advisory company incorporated in the UK. Permira Advisers (London) Limited acts as the parent to various Permira investment advisory entities.

Fair review of the business

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

Principal risks and uncertainties

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

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

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

The Members have also considered the impacts of the rise and subsequent escalation of the Russia-Ukraine conflict has on the Permira portfolio, investment activity and business. The funds have very minimal direct exposure to either Russia or Ukraine, and none of the portfolio companies have any sort of dependency on the region.

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

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

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

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

Strategic Report (continued)

for the year ended 31 December 2021

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

Governance and Risk Management

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

Culture, Values and Standards

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

Community and Environment

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

Key Performance Indicators ("KPIs")

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board

A handwritten signature in black ink, appearing to read "Duncan Smith".

Duncan Smith, Director

11 August 2022

Directors' Report (continued) for the year ended 31 December 2021

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2021.

Future developments

The directors believe that the group will continue to be profitable in 2022. The group expects to continue to provide investment advisory services.

Results and dividends

The results for the group (Permira Advisers (London) Limited and its subsidiaries) show a total comprehensive income of £20,621,000 (2020: £14,568,000) for the year. During the year the group distributed dividends of £6,000,000 (2020: £4,026,000).

Going Concern

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

Directors and Company Secretary

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

Peter Gibbs (resigned 10 December 2021)

Duncan Smith

Ulrich Gasse (appointed 10 December 2021)

Ignacio Faus (appointed 10 December 2021)

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

Carbon dioxide emissions

The group had an annual turnover of £235m and a total balance sheet value of £50m during the year under review, therefore the Group is required to report on the Streamlined Energy and Carbon Report (SECR).

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

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

The total GHG emissions for 2021 were 506 tCO₂e (3.64 per FTE). The total energy consumption was 0.68 GWh. The scope of this data covers the UK offices in London operated by the company.

Following the completion of the office renovations, the Permira London office was rated as Excellent by Building Research Establishment Environmental Assessment Method ("BREEAM") certification. The Permira office is also now fully reliant on green energy and has zero gas consumption for the building.

Directors' Report (continued)
for the year ended 31 December 2021

Directors' indemnity

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

Statement as to disclosure of information to independent auditors

In the case of each director in office at the date that the Directors' Report was approved:

- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statement of engagement with suppliers, customers and others in a business relationship with the Company

The Strategic Report on page 4 and 5 sets out details of the company's values and approach to business conduct.

Independent auditors

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

On behalf of the board



Duncan Smith, Director

11 August 2022

Statement of Directors' Responsibilities for the year ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

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

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

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

On behalf of the board

A handwritten signature in black ink, appearing to read "Duncan Smith".

Duncan Smith, Director

11 August 2022

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 December 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

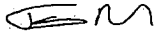
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



James Read
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 August 2022

Permira Advisers (London) Limited

(Registered Number: 02853841)



Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Revenue	4	234,944	184,088
Administrative Expenses		(218,086)	(171,065)
Operating profit	6	16,858	13,023
Interest receivable and similar income		38	79
Interest payable and similar expenses		(128)	(93)
Profit before taxation		16,768	13,009
Tax on profit	8	6,043	1,596
Profit for the financial year		22,811	14,605
Other comprehensive expense			
Unrealised foreign exchange loss on translation of subsidiaries		(2,190)	(37)
Other comprehensive expense for the year		(2,190)	(37)
Total comprehensive income for the year		20,621	14,568

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

Permira Advisers (London) Limited

(Registered Number: 02853841)

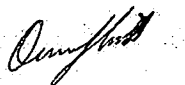
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Consolidated Statement of Financial Position

as at 31 December 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	16,234	14,006
Other investments	10	325	314
		<u>16,559</u>	<u>14,320</u>
Current assets			
Trade and other receivables: amounts falling due within one year	12	66,144	75,646
Trade and other receivables: amounts falling due after more than one year	13	11,130	5,892
Cash at bank and in hand	2(n)	16,081	29,657
		<u>93,355</u>	<u>111,195</u>
Current liabilities			
Trade and other payables: amounts falling due within one year	14	(48,685)	(81,738)
		<u>44,670</u>	<u>29,457</u>
Net current assets			
		<u>61,229</u>	<u>43,777</u>
Total assets less current liabilities			
		<u>61,229</u>	<u>43,777</u>
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	15	(4,490)	(5,174)
Provisions for liabilities	16	(6,298)	(2,783)
		<u>50,441</u>	<u>35,820</u>
Net assets			
		<u>50,441</u>	<u>35,820</u>
Equity			
Called up share capital	18	50	50
Capital contribution reserve	18	2,741	2,741
Other reserves	18	(4,791)	(4,791)
Retained earnings		52,441	37,820
		<u>50,441</u>	<u>35,820</u>
Total equity			
		<u>50,441</u>	<u>35,820</u>

The financial statements on pages 12 to 27 were approved by the Board of Directors on 11 August 2022. and were signed on its behalf by:



Duncan Smith, Director

Permira Advisers (London) Limited

(Registered Number: 02853841)



Company Statement of Financial Position

as at 31 December 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	11,341	9,313
Investments	11	8,026	7,762
		<u>19,367</u>	<u>17,075</u>
Current assets			
Trade and other receivables: amounts falling due within one year	12	19,502	11,011
Trade and other receivables: amounts falling due after more than one year		1,208	-
Cash at bank and in hand	2(n)	1,858	2,957
		<u>22,568</u>	<u>13,968</u>
Current liabilities			
Trade and other payables: amounts falling due within one year	14	(12,511)	(9,427)
Net current assets		<u>10,057</u>	<u>4,541</u>
Total assets less current liabilities		<u>29,424</u>	<u>21,616</u>
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	15	-	(3,210)
Provisions for liabilities	16	(5,711)	-
Net assets		<u>23,713</u>	<u>18,406</u>
Capital and reserves			
Called up share capital	18	50	50
Capital contribution reserve	18	2,741	2,741
Retained Earnings		20,922	15,615
Total equity		<u>23,713</u>	<u>18,406</u>

The financial statements on pages 12 to 27 were approved by the Board of Directors on 11 August

A handwritten signature in black ink, appearing to read "Duncan Smith".

Duncan Smith, Director

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Retained earnings £000	Other Reserves £000	Total Equity £000
At 1 January 2020	50	-	2,741	27,278	(4,791)	25,278
Total comprehensive income for the year	-	-	-	14,568	-	14,568
Dividends paid (note 18)	-	-	-	(4,026)	-	(4,026)
At 31 December 2020 and 1 January 2021	50	-	2,741	37,820	(4,791)	35,820
Total comprehensive income for the year	-	-	-	20,621	-	20,621
Dividends paid (note 18)	-	-	-	(6,000)	-	(6,000)
At 31 December 2021	50	-	2,741	52,441	(4,791)	50,441

Company Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £000	Capital contribution reserve £000	Retained earnings £000	Total Equity £000
At 1 January 2020	50	2,741	11,334	14,125
Total comprehensive income for the year	-	-	8,307	8,307
Dividends paid (note 18)	-	-	(4,026)	(4,026)
At 31 December 2020 and 1 January 2021	50	2,741	15,615	18,406
Total comprehensive income for the year	-	-	11,307	11,307
Dividends paid (note 18)	-	-	(6,000)	(6,000)
At 31 December 2021	50	2,741	20,922	23,713

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

Permira Advisers (London) Limited

(Registered Number: 02853841)



Consolidated Cash Flow Statement

for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Net cash (outflow)/inflow from operating activities	19	(1,161)	30,208
Interest paid		(128)	(93)
Taxation paid		299	(3,277)
Net cash (outflow)/inflow after tax from operating activities		(990)	26,839
Cash flow from investing activities			
Interest received		38	79
Payments to acquire tangible fixed assets		(6,624)	(7,425)
Net cash outflow from investing activities		(6,586)	(7,346)
Cash flow from financing activities			
Dividends paid	18	(6,000)	(4,026)
Net cash outflow from financing activities		(6,000)	(4,026)
Net (decrease)/increase in cash in the year		(13,576)	15,467
Cash and cash equivalents at the beginning of the year		29,657	14,190
Cash and cash equivalents at the end of the year		16,081	29,657

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

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

Notes to the Financial Statements (continued)

1 Statement of compliance

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

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

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

(b) Going concern

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

(c) Basis of consolidation

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

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

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

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

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the company. The profit for the financial year dealt with in the financial statements of the company was £11,313k (2020: £8,307k).

(d) Tangible fixed assets and depreciation

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

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

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

Notes to the Financial Statements (continued)

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

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

(f) Revenue

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

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

(g) Expenses

Expenditure is accounted for on the accruals basis.

(h) Leased assets

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

(i) Operating leased assets

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

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

(j) Financial instruments

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

i) Financial assets

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

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

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

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

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

ii) Financial liabilities

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

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

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

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

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(k) Foreign currency

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

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

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

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

(l) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax:

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

(ii) Deferred tax:

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

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

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

(m) Provisions

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

(n) Cash and cash equivalents

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

(o) Related parties

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

(p) Employee benefits

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

i) Short term benefits

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

ii) TFR scheme

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

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

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

Notes to the Financial Statements (continued)

3 Critical accounting judgments and estimation uncertainty

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

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

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

Employee benefit provisions: judgment is required in the determination of the expected future increases in remuneration in order to determine the present value of the expected future payments, to enable the directors to determine the level of provision that is required to settle the expected future termination costs.

Depreciation of tangible assets: judgment is required in the determination of the useful economic life of assets. The directors consider each tangible asset and reviews the intention of the use of the asset, to ensure that the appropriate duration is applied.

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

4 Revenue	Group	Group
	2021	2020
	£000	£000
Analysis of turnover by geography:		
United Kingdom	64,256	40,303
Guernsey	170,688	143,785
	<u>234,944</u>	<u>184,088</u>
Analysis of turnover by category:		
Service fees	64,256	40,303
Consultancy	170,688	143,785
	<u>234,944</u>	<u>184,088</u>

5 Staff costs and directors' emoluments	Group	Group
	2021	2020
	£000	£000
Wages and salaries	115,290	100,840
Social security costs	4,225	4,516
Exceptional payment	-	15,818
Other pension costs	6,508	4,412
	<u>126,023</u>	<u>125,586</u>

The monthly average number of persons employed by the Group during the year was:

	2021	2020
	Number	Number
Directors	2	2
Partners	18	18
Professionals	154	154
Support	65	65
	<u>239</u>	<u>239</u>

Directors

The directors of the company are paid by Permira Advisers LLP, an entity under the common control of the Permira Group, for the services that they provide across the wider Permira Group. The company did not make any payments to the directors in the year (2020: £nil), and no allocation of their payment is done across the relevant entities within the Permira Group. The directors are the key management personnel for the Group and company.

6 Operating profit	Group	Group
	2021	2020
	£000	£000
Operating profit for the year is stated after charging:		
Staff Costs (Note 5)	126,023	125,586
Operating leases - land & buildings	10,510	8,615
Depreciation	3,439	2,692
Auditors' Remuneration (Note 7)	693	693

7 Auditors' Remuneration	Group	Group
	2021	2020
	£000	£000
Fees payable to the company's Auditors and their associates for the audit of the parent company and Group's consolidated financial statements	69	69
Fees payable to the company's Auditors and their associates in respect of:		
Audit of the company's subsidiaries	294	294
Other assurance services pursuant to legislation	5	5
Tax compliance fees	213	213
Tax advisory services	21	21
Other advisory services	91	91
Other consultancy services	-	0
	<u>693</u>	<u>693</u>

Notes to the Financial Statements (continued)

8 Tax on profit	Group 2021 £000	Group 2020 £000
United Kingdom ("UK") corporation tax	534	579
Foreign corporation tax	881	665
Total current taxation	<u>1,415</u>	<u>1,244</u>
Deferred tax charge (note 13 and 16)	<u>(7,458)</u>	<u>(2,840)</u>
Tax on profit	<u><u>(6,043)</u></u>	<u><u>(1,596)</u></u>

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in UK of 19% (2020: 19%). The differences are explained below:

	Group 2021 £000	Group 2020 £000
Profit before taxation	16,768	13,009
Profit before taxation multiplied by standard rate of domestic corporation tax	3,186	2,472
Effects of:		
Depreciation for year in excess of capital allowances	80	65
Expenses not deductible for tax purposes	65	70
Withholding tax	-	-
Adjustments in respect of prior years	-	(132)
Deferred tax	(7,458)	(2,840)
Impact of overseas tax rates	(1,916)	(1,231)
Total tax credit	<u><u>(6,043)</u></u>	<u><u>(1,596)</u></u>

9 Tangible assets

Group	Leasehold Improvements £000	Furniture & Fittings £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2021	24,948	6,387	8,380	39,715
Additions	4,980	674	970	6,624
Disposals	(424)	(299)	(338)	(1,061)
Foreign exchange	12	24	21	57
At 31 December 2021	<u>29,516</u>	<u>6,786</u>	<u>9,033</u>	<u>45,335</u>
Accumulated Depreciation				
At 1 January 2021	(13,732)	(5,514)	(6,463)	(25,709)
Charge for the year	(1,981)	(560)	(898)	(3,439)
Foreign exchange	22	12	13	47
At 31 December 2021	<u>(15,691)</u>	<u>(6,062)</u>	<u>(7,348)</u>	<u>(29,101)</u>
Net Book Value				
At 31 December 2021	<u>13,825</u>	<u>724</u>	<u>1,685</u>	<u>16,234</u>
At 31 December 2020	<u>11,216</u>	<u>873</u>	<u>1,917</u>	<u>14,006</u>

Notes to the Financial Statements (continued)

9. Tangible assets (continued)

Company	Leasehold Improvements £000	Furniture & Fittings £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2021	16,029	3,225	4,680	23,934
Additions	3,520	68	457	4,045
At 31 December 2021	19,549	3,293	5,137	27,979
Accumulated Depreciation				
At 1 January 2021	(7,641)	(3,025)	(3,955)	(14,621)
Charge for the year	(1,471)	(93)	(453)	(2,017)
At 31 December 2021	(9,112)	(3,118)	(4,408)	(16,638)
Net Book Value				
At 31 December 2021	10,437	175	729	11,341
At 31 December 2020	8,388	200	725	9,313

10. Other investments

For the year ended 31 December 2021, the movement for debentures classified as other investments is as follows:

Group	Total £000
Cost	
At 1 January 2021 and at 31 December 2021	424
Accumulated Amortisation	
At 1 January 2021	110
Charge for the year	8
Foreign exchange	(19)
At 31 December 2021	99
Net Book Value	
At 31 December 2021	325
At 31 December 2020	314

Notes to the Financial Statements (continued)

11 Investments	Company 2021 £000	Company 2020 £000
At 1 January	7,762	7,762
Additions during the year	264	-
At 31 December	<u>8,026</u>	<u>7,762</u>

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

Name	Address of registered office	Principal Activities	% Held
Permira Advisers SPA	Palazzo Spinola, Via San Paulo 10, 20121 Milan, Italy	Consulting	100%
Permira Luxembourg Sarl	488 route de Longwy, L-1940 Luxembourg	Services	100%
Permira Beteiligungs-beratung GmbH	Bockenheimer Landstrasse 33, 60325 Frankfurt am Main	Consulting	100%
Permira Advisers SAS	31 rue de la Baume, 75008 Paris, France	Consulting	100%
Permira Advisers Limited	28/F One Exchange Square, 8 Connaught Place, Hong Kong	Consulting	100%
Permira Advisers China Holdings Limited	28/F One Exchange Square, 8 Connaught Place, Hong Kong	Consulting	100%
Permira Advisers KK	1-11-44 Akasaka, Tokyo 107-005, Japan	Consulting	100%
Permira Asesores SL	Plaza Marqués de Salamanca 10, Primero Izquierda, 28006, Madrid, Spain	Consulting	100%
Permira Advisers LLC	320 Park Avenue, New York, NY 10022, United States	Consulting	100%
Permira Advisory Nordic AB	Birger Jarlsgatan 12, 114 34, Stockholm, Sweden	Consulting	100%
Permira Advisers Pte.	10 Collyer Quay, Ocean Financial Centre, #24-08 Singapore 049315	Consulting	100%
Permira Ventures Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Private Equity Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Co-Investments Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Capital Partners Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Investments Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%
Permira Capital Ltd	80 Pall Mall, London, SW1Y 5ES, UK	Dormant	100%

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

All the subsidiaries above are included in the consolidation.

Notes to the Financial Statements (continued)

12 Trade and other receivables	Group 2021 £000	Group 2020 £000
Amounts falling due within one year		
Amounts owed by group undertakings	48,926	60,595
Tax debtor	-	1,580
Other debtors	11,155	10,550
Prepayments and accrued income	6,063	2,921
	<u>66,144</u>	<u>75,646</u>

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

	Company 2021 £000	Company 2020 £000
Amounts falling due within one year		
Amounts owed by group undertakings	12,268	5,758
Other debtors	2,253	2,903
Prepayments and accrued income	4,981	2,350
	<u>19,502</u>	<u>11,011</u>

13 Trade and other receivables	Group 2021 £000	Group 2020 £000
Amounts falling due after more than one year		
Other debtors	1,213	1,770
Deferred tax asset	9,917	2,847
Tax debtor	-	1,275
	<u>11,130</u>	<u>5,892</u>

14 Trade and other payables	Group 2021 £000	Group 2020 £000
Amounts falling due within one year		
Amounts owed to group undertakings	(15,291)	(16,837)
Corporation Tax	(233)	(162)
Other creditors	(11,413)	(11,692)
Accruals and deferred income	(21,748)	(53,047)
	<u>(48,685)</u>	<u>(81,738)</u>
Amounts falling due within one year		
Amounts owed to group undertakings	(88)	(16)
Corporation Tax	-	-
Other creditors	(642)	(3,168)
Accruals and deferred income	(11,781)	(6,243)
	<u>(12,511)</u>	<u>(9,427)</u>

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

Notes to the Financial Statements (continued)

15 Trade and other payables	Group 2021 £000	Group 2020 £000
Amounts falling due after more than one year		
Corporation tax	(558)	(630)
Accruals & other creditors	(3,932)	(4,544)
	<u>(4,490)</u>	<u>(5,174)</u>
	Company 2021 £000	Company 2020 £000
Amounts falling due after more than one year		
Lease incentive payables	-	(3,210)
	<u>-</u>	<u>(3,210)</u>
16 Provisions for liabilities	Group 2021 £000	Group 2020 £000
At 1 January	(2,783)	(1,975)
(Increase) in onerous lease provisions	(5,124)	(85)
(Increase)/Decrease in deferred tax provision	388	(7)
Decrease/(Increase) in employee benefit provision	1,221	(716)
At 31 December	<u>(6,298)</u>	<u>(2,783)</u>
Onerous lease provisions ⁽¹⁾	(5,625)	(501)
Deferred tax provision	(86)	(474)
Employee benefit provision ⁽²⁾	(587)	(1,808)
	<u>(6,298)</u>	<u>(2,783)</u>

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

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

	Company 2021 £000	Company 2020 £000
At 1 January	-	(25)
(Increase)/Decrease in onerous lease provisions	(5,625)	-
(Decrease)/Increase in deferred tax liability	(86)	25
At 31 December	<u>(5,711)</u>	<u>-</u>
Rent free provision	(5,625)	-
Deferred tax provision	(86)	-
	<u>(5,711)</u>	<u>-</u>

Notes to the Financial Statements (continued)

17 Operating leases

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

	Group 2021 £000	Group 2020 £000
Rental Expense	10,510	8,615
	<u>10,510</u>	<u>8,615</u>

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

	Group 2021 £000	Group 2020 £000
Land and Buildings		
Payments due not later than one year	10,587	8,604
Payments due later than one year and not later than five years	32,662	31,051
Payments due later than five years	35,103	35,492
	<u>78,352</u>	<u>75,147</u>

18 Called up share capital and other reserves

	Group 2021 £000	Group 2020 £000
Authorised		
50,007 (2020: 50,007) Ordinary Shares of £1 each	<u>50</u>	<u>50</u>
Allotted, Issued and Fully Paid		
50,007 (2020: 50,007) Ordinary Shares of £1 each	<u>50</u>	<u>50</u>

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

	Company 2021 £000	Company 2020 £000
Authorised		
50,007 (2020: 50,007) Ordinary Shares of £1 each	<u>50</u>	<u>50</u>
Allotted, Issued and Fully Paid		
50,007 (2020: 50,007) Ordinary Shares of £1 each	<u>50</u>	<u>50</u>

Other reserves

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

Capital contribution reserve

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

Dividends

During the year, the directors approved and paid a dividend of £6m (2020: £4.026m), equivalent to £119.98 per share (2020: £80.51 per share).

19 Net cash (outflow)/inflow from operating activities

	Group 2021 £000	Group 2020 £000
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	16,858	13,023
Depreciation charges	3,439	2,692
Increase in provisions for liabilities	3,903	801
Foreign exchange (gain)/loss	(104)	42
Decrease/(Increase) in trade receivables	8,480	(20,456)
(Decrease)/Increase in trade payables	(33,736)	34,106
Net cash inflow from operating activities	<u>(1,161)</u>	<u>30,208</u>

Notes to the Financial Statements (continued)

20 Immediate and ultimate parent undertaking

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

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

The principal place of business of Permira Holdings Limited is:

Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 6DJ