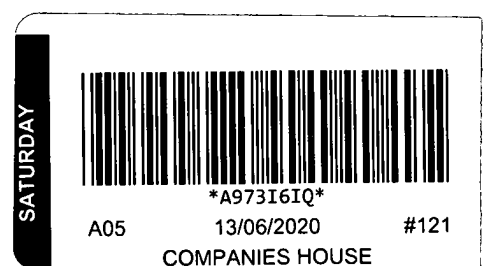


Registered number: 02512083

HarbourVest Partners (UK) Limited

Consolidated report and financial statements

For the Year Ended 31 December 2019



HarbourVest Partners (UK) Limited

Company Information

Directors

Mary Traer
Peter G. Wilson
David A. Atterbury
Corentin Du Roy De Blicquy

Company secretary

J Sidi

Registered number

02512083

Registered office

3rd Floor
33 Jermyn Street
London
SW1Y 6DN

Independent auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Accountants

Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

HarbourVest Partners (UK) Limited

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HarbourVest Partners (UK) Limited

Group strategic report For the Year Ended 31 December 2019

Introduction

The directors have pleasure in presenting the report and the consolidated financial statements of HarbourVest Partners (UK) Limited (the 'Company') and its subsidiary for the year ended 31 December 2019. These financial statements consolidate the financial statements of HarbourVest Partners (UK) Limited and HarbourVest Partners (Ireland) Limited (collectively 'the Group').

Principal activities and review of the business

The company, acting as a representative, performs various advisory and liaison functions for HarbourVest Partners, LLC and HarbourVest Partners (Europe) Limited, and continues to provide these services under run-off arrangements.

HarbourVest Partners (Ireland) Limited, the subsidiary undertaking, is authorised as an Alternative Investment Fund Manager. The services provided by HarbourVest Partners (Ireland) Limited include portfolio management, risk management, administration and marketing in respect of the Alternative Investment Funds under the Alternative Investment Fund Managers Directive.

The Company is authorised and regulated by the Financial Conduct Authority. The Group monitors performance of the business primarily through monitoring of expenses.

Trading for the year to 31 December 2019 has been in line with the expectations of the directors, with the Group recording a profit after tax of £7,794,546 (2018: £8,799,968).

As at 31 December 2019, the directors feel the Group is fully capitalised to meet all financial and regulatory obligations.

The Group's key financial and other performance indicators during the year were as follows:

	2019 £	2018 £	% change
Turnover	48,361,375	29,865,639	62
Administrative expenses	(38,812,464)	(19,016,691)	104
Profit on ordinary activities after taxation	7,794,546	8,799,968	(11)
Shareholder's funds	7,731,821	8,804,968	(12)
Current assets as % of current liabilities	172	205	
Average number of employees	60	52	

HarbourVest Partners (UK) Limited

Group strategic report (continued) For the Year Ended 31 December 2019

Principal risks and uncertainties

The directors have considered significant risks and uncertainties facing the business and have concluded that all major risks and uncertainties have been mitigated to an acceptable level. The most significant risk facing the Group is liquidity risk. This risk is mitigated since the parent, HarbourVest Partners, LLC, provides continuous financial support to the Group and the directors believe that this support will continue as HarbourVest Partners, LLC is adequately funded to provide this support on an ongoing basis.

From an operational perspective, the key risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the Company being subject to a fine or a ban on trading activities. This is managed through regular review of the Group's compliance framework by Senior management.

The Group will continue to have the financial risk management at the top of its agenda. Risk management framework is evolved on a regular basis and managed by providing clear risk policy & training.

The Group provides the following intragroup services to HarbourVest Partners, LLC and its affiliates:

- (i) researching, evaluating, recommending, negotiating and monitoring private market investments; and
- (ii) soliciting UK and non-UK investors to purchase interests in investment vehicles established, managed and/or operated by HarbourVest Partners, LLC and its affiliates.

The Company does not itself act as the management company for any Alternative Investment Funds ("AIFs") or Undertakings for Collective Investment in Transferable Securities ("UCITS") however its subsidiary undertaking, HarbourVest Partners (Ireland) Limited, is authorised as an Alternative Investment Fund Manager. On 31 January 2020, the UK formally left the European Union ("Brexit"). At this time, the terms of the UK's future relationship with the EU are highly uncertain and, therefore, it is difficult to predict the economic, tax, fiscal, legal, regulatory and other implications for the asset management industry from Brexit. However, HarbourVest Partners, LLC and its affiliates have taken a number of measures to mitigate the potential impact of Brexit and does not expect Brexit to materially impact the Group's ability to continue to provide the services described herein.

During the period from 31 December 2019 to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak had spread globally and caused extensive disruptions to businesses as well as economic activities globally with no exception for the UK.

However, as the Group's revenue model is based on a transfer pricing model, the board is not expecting the COVID-19 to have a material impact on the Group's future operations, ability to continue trading and future profitability. The Group's sole client, its Parent, has sufficient financial resources to continue paying the service fee due to the company, on time for a period of at least 12 months from the date of approval of the financial statements. The Group also has sufficient working capital to meet its short-term liabilities as they arise for a period of at least 12 months from the date of approval of the financial statements.

In terms of continuity of business operations, the Group has implemented its business continuity plans, in line with Group-level policy as well as official advice from Her Majesty's Government, and expects to be able to continue normal operations through working from home for as long a period as may be advised from time to time.

HarbourVest Partners (UK) Limited

Group strategic report (continued) For the Year Ended 31 December 2019

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the review of the business above. The financial position of the Group and its liquidity position are reflected on the Consolidated statement of financial position. The Group has considerable financial resources. Whilst the Group remains dependent primarily on a single source of revenue from its parent company, the directors are not aware of any reason that this agreement will be terminated in the foreseeable future. The nature of the agreement provides a high degree of certainty that the Group will continue to be profitable. Historically, the Group has received income in a timely manner in order to manage its obligations. As a consequence, the directors believe that the Group and the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The directors expect the main source of income of the Group to continue to be its provision of services to HarbourVest Partners, LLC.

This report was approved by the board on April 21, 2020 and signed on its behalf.



David A. Atterbury
Director

HarbourVest Partners (UK) Limited

Directors' report For the Year Ended 31 December 2019

The directors present their report and the Group's financial statements for the year ended 31 December 2019.

Principal activity

The Company has continued to be engaged by HarbourVest Partners LLC and HarbourVest Partners (Europe) Limited, as its representative in the United Kingdom, Continental Europe and the Pacific Rim countries through a consulting agreement.

HarbourVest Partners (Ireland) Limited, the subsidiary undertaking, is authorised as an Alternative Investment Fund Manager. The services provided by HarbourVest Partners (Ireland) Limited include portfolio management, risk management, administration and marketing in respect of the Alternative Investment Funds under the Alternative Investment Fund Managers Directive.

Results and dividends

The profit for the year, after taxation, amounted to £7,794,546 (2018 - £8,799,968).

A final dividend was paid amounting to £8,799,968 (2018: £7,605,849).

Shareholders' Funds amounted to £7,731,821 (2018: £8,804,968).

Directors

The directors who served during the year and up to the date of this report were as follows:

Mary Traer
Peter G. Wilson
David A. Atterbury
Kathleen M. Bacon (resigned 30 June 2019)
Corentin Du Roy De Blicquy (appointed 1 July 2019)

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' report (continued)
For the Year Ended 31 December 2019

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that they comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Disclosure of information to auditor

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

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This report was approved by the board on April 21, 2020 and signed on its behalf.



David A. Atterbury
Director

HarbourVest Partners (UK) Limited

Independent auditor's report to the members of HarbourVest Partners (UK) Limited

Opinion

We have audited the financial statements of HarbourVest Partners (UK) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Effects of COVID-19

We draw attention to Note 1 and 22 of the financial statements, which describes the economic disruption the parent Company and the Group is facing as a result of COVID-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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 HarbourVest Partners (UK) Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 5, 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 Group's and the parent 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 parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of HarbourVest Partners (UK) Limited (continued)

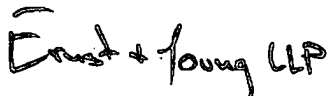
Auditor's responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Group's shareholder, 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 Group's shareholder those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.



Ahmer Huda (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor

London
22 April 2020

HarbourVest Partners (UK) Limited

Consolidated statement of comprehensive income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	48,361,375	29,865,639
Gross profit		48,361,375	29,865,639
Administrative expenses		(38,812,464)	(19,016,691)
Operating profit		9,548,911	10,848,948
Interest receivable and similar income		54,675	-
Profit on ordinary activities before taxation		9,603,586	10,848,948
Taxation on profit/(loss) on ordinary activities	9	(1,809,040)	(2,048,980)
Profit for the financial year		7,794,546	8,799,968
Profit for the year attributable to:			
Owners of the parent company		7,794,546	8,799,968
		7,794,546	8,799,968

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

All activities are derived from continuing operations.

There was no other comprehensive income for 2019 (2018:£NIL). Accordingly, the profit for the financial year is equivalent to the consolidated total comprehensive income.

The notes on pages 15 to 27 form part of these financial statements.

HarbourVest Partners (UK) Limited
Registered number: 02512083

Consolidated statement of financial position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	799,435	949,872
Investments		-	1
		<u>799,435</u>	<u>949,873</u>
Current assets			
Debtors: amounts falling due within one year	13	12,753,029	15,198,514
Cash at bank and in hand	14	3,928,441	271,028
		<u>16,681,470</u>	<u>15,469,542</u>
Creditors: amounts falling due within one year	15	(9,719,084)	(7,564,447)
Net current assets		<u>6,962,386</u>	<u>7,905,095</u>
Total assets less current liabilities		<u>7,761,821</u>	<u>8,854,968</u>
Provisions for liabilities			
Deferred taxation	16	(30,000)	(50,000)
		<u>(30,000)</u>	<u>(50,000)</u>
		<u>7,731,821</u>	<u>8,804,968</u>
Net assets		<u>7,731,821</u>	<u>8,804,968</u>
Capital and reserves			
Called up share capital	18	5,000	5,000
Foreign currency translation reserve	17	(67,725)	-
Profit and loss account	17	7,794,546	8,799,968
Shareholder's funds attributable to the members of the parent Company		<u>7,731,821</u>	<u>8,804,968</u>
Total shareholder's funds		<u>7,731,821</u>	<u>8,804,968</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 21, 2020.



David A. Atterbury
Director

The notes on pages 15 to 27 form part of these financial statements.


HarbourVest Partners (UK) Limited
Registered number: 02512083

Company statement of financial position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	799,435	949,872
Investments	12	3,343,993	1
		<u>4,143,428</u>	<u>949,873</u>
Current assets			
Debtors: amounts falling due within one year	13	11,642,068	15,198,514
Cash at bank and in hand	14	216,043	271,028
		<u>11,858,111</u>	<u>15,469,542</u>
Creditors: amounts falling due within one year	15	(8,823,277)	(7,564,447)
Net current assets		<u>3,034,834</u>	<u>7,905,095</u>
Total assets less current liabilities		<u>7,178,262</u>	<u>8,854,968</u>
Provisions for liabilities			
Deferred taxation	16	(30,000)	(50,000)
		<u>(30,000)</u>	<u>(50,000)</u>
		<u>7,148,262</u>	<u>8,804,968</u>
Net assets		<u>7,148,262</u>	<u>8,804,968</u>
Capital and reserves			
Called up share capital	18	5,000	5,000
Profit and loss account	17	7,143,262	8,799,968
Shareholder's funds		<u>7,148,262</u>	<u>8,804,968</u>

The Company is not required to present a separate statement of comprehensive income as permitted by section 408 of the Companies Act 2006. The profit of the Company for the year was £7,143,262 (2018: £8,799,968).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 21, 2020.



David A. Atterbury
Director

The notes on pages 15 to 27 form part of these financial statements.

HarbourVest Partners (UK) Limited

Consolidated statement of changes in equity As at 31 December 2019

	Share capital £	Foreign currency translation reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2018	5,000	-	7,605,849	7,610,849	7,610,849
Income for the year					
Profit for the year	-	-	8,799,968	8,799,968	8,799,968
Dividends: Equity capital	-	-	(7,605,849)	(7,605,849)	(7,605,849)
At 1 January 2019	5,000	-	8,799,968	8,804,968	8,804,968
Income for the year					
Profit for the year	-	-	7,794,546	7,794,546	7,794,546
Dividends: Equity capital	-	-	(8,799,968)	(8,799,968)	(8,799,968)
Exchange difference on translation of foreign operations	-	(67,725)	-	(67,725)	(67,725)
At 31 December 2019	5,000	(67,725)	7,794,546	7,731,821	7,731,821

The notes on pages 15 to 27 form part of these financial statements.

HarbourVest Partners (UK) Limited

Company statement of changes in equity As at 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	5,000	7,605,849	7,610,849
Income for the year			
Profit for the year	-	8,799,968	8,799,968
Dividends: Equity capital	-	(7,605,849)	(7,605,849)
At 1 January 2019	5,000	8,799,968	8,804,968
Income for the year			
Profit for the year	-	7,143,262	7,143,262
Dividends: Equity capital	-	(8,799,968)	(8,799,968)
At 31 December 2019	5,000	7,143,262	7,148,262

The notes on pages 15 to 27 form part of these financial statements.

HarbourVest Partners (UK) Limited

Consolidated statement of cash flows For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	7,794,546	8,799,968
Adjustments for:		
Depreciation of tangible assets	211,214	216,604
Interest received	(54,675)	-
Taxation charge	1,809,040	2,048,980
(Increase)/decrease in debtors	(1,878,331)	953,876
Decrease/(increase) in amounts owed by groups	4,323,817	(1,009,450)
Increase/(decrease) in creditors	2,508,637	(1,370,118)
Corporation tax (paid)	(2,183,040)	(1,849,480)
Net cash generated from operating activities	12,531,208	7,790,380
Cash flows from investing activities		
Purchase of tangible fixed assets	(60,777)	(11,350)
Purchase of fixed asset investments	-	(1)
Interest received	54,675	-
Net cash used in investing activities	(6,102)	(11,351)
Cash flows from financing activities		
Dividends paid	(8,799,968)	(7,605,849)
Net cash used in financing activities	(8,799,968)	(7,605,849)
Net increase in cash and cash equivalents	3,725,138	173,180
Cash and cash equivalents at beginning of year	271,028	97,848
Foreign exchange losses	(67,725)	-
Cash and cash equivalents at the end of year	3,928,441	271,028
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,928,441	271,028
	3,928,441	271,028

The notes on pages 15 to 27 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 December 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis and under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

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

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

The Company provides services to the parent and receives a service fee based on the reimbursement of its costs plus a margin. The Board do not expect COVID-19 to have a material impact on the Company's future operations, ability to continue trading or future profitability. The Company is dependent on the ability of the parent to which it provides services to continue to pay the service fees due.

The most likely expected financial impact on the Group is in respect of its future management fee income earned by the parent and HarbourVest Partners (Ireland) Limited as this is impacted based on future fundraising and investment activity. However, majority of management fee income is based on committed capital in the managed closed ended funds therefore the underlying volatility in valuations will not have a significant impact on the projected revenue. It is challenging to quantify at this juncture the overall impact of COVID-19 as financial markets continue to react to developments and the Group have a number of actions that they are able to take to protect profitability and solvency, such as the reduction in certain operating expenses.

The directors have determined that the Parent has sufficient financial resources to continue paying the service fee due on time for a period of at least 12 months from the date of approval of the financial statements, and that the Group also has sufficient financial resources to meet its short-term liabilities as they arise for a period of at least 12 months from the date of approval of the financial statements.

Having performed this analysis, the Directors believe regulatory capital requirements continue to be met and have sufficient liquidity to meet its liabilities for the for the next 12 months from the date of approval of financial statements and that the preparation of the financial statements on a going concern basis remains appropriate as the company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

**Notes to the financial statements
For the Year Ended 31 December 2019**

1. Accounting policies (continued)

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 December 2018.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue comprises management services to Alternative Investment Funds and amounts receivable in respect of consultancy services and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

1.4 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings leasehold	- Over the period of the lease
Computers & software	- Computer software straight line over 3 years Computer hardware straight line over 5 years
Fixtures & fittings	- Fixtures and fittings, office equipment and artworks straight line over 10 years

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

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

**Notes to the financial statements
For the Year Ended 31 December 2019**

1. Accounting policies (continued)

1.5 Operating leases: the Group as lessee

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

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

1.6 Valuation of investments

In the Company statement of financial position, investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Debtors

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

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.9 Creditors

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

1.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

**Notes to the financial statements
For the Year Ended 31 December 2019**

1. Accounting policies (continued)

1.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as equity and classified within dividend payable.

1.12 Pensions

Defined contribution pension plan

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

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

1.13 Administrative expenses

Expenses incurred have been recognised on an accruals basis.

1.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated statement of financial position.

Notes to the financial statements
For the Year Ended 31 December 2019

1. Accounting policies (continued)

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have been made by management in preparing these financial statements.

3. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
Provision of consultancy services to the Parent company in the USA	48,361,375	29,865,639
	<u>48,361,375</u>	<u>29,865,639</u>

Notes to the financial statements
For the Year Ended 31 December 2019

4. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	211,214	216,604
Exchange differences	-	(58,214)
Defined contribution pension cost	436,815	336,182
Operating lease payments	1,704,528	1,581,857
	<u>2,352,557</u>	<u>2,076,429</u>

5. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts*	37,081	26,500
	<u>37,081</u>	<u>26,500</u>

*£20,000 represents audit fees related to the Company.

The auditor did not receive any remuneration in respect of non-audit services during the year (2018: £Nil).

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	17,890,076	13,381,058	16,259,966	13,381,058
Social security costs	2,426,635	1,896,042	2,250,002	1,896,042
Cost of defined contribution scheme	436,815	336,182	389,129	336,182
	<u>20,753,526</u>	<u>15,613,282</u>	<u>18,899,097</u>	<u>15,613,282</u>

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

2019 No.	2018 No.
<u>60</u>	<u>52</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2019

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	<u>4,270,727</u>	<u>3,747,033</u>

The highest paid director received remuneration of £2,030,226 (2018 - £1,450,515).

8. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>54,675</u>	-
	<u>54,675</u>	-

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on UK profits for the year	1,709,000	2,093,000
Adjustments in respect of previous periods	26,999	(16,520)
Current tax on Irish profits for the year	93,041	-
	<u>1,829,040</u>	<u>2,076,480</u>
Total current tax	<u>1,829,040</u>	<u>2,076,480</u>
Deferred tax		
Origination and reversal of timing differences	(20,000)	(27,500)
Total deferred tax	<u>(20,000)</u>	<u>(27,500)</u>
Taxation on profit on ordinary activities	<u>1,809,040</u>	<u>2,048,980</u>

Notes to the financial statements
For the Year Ended 31 December 2019

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>9,603,586</u>	<u>10,848,948</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,824,681	2,061,300
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,740	4,200
Adjustments to tax charge in respect of prior periods	26,999	(16,520)
Difference in overseas tax rates	(48,380)	-
Total tax charge for the year	<u><u>1,809,040</u></u>	<u><u>2,048,980</u></u>

Factors that may affect future tax charges

The Budget proposed on 11 March 2020 that the corporation tax rate will remain at 19% from 1 April 2020 which will impact the closing deferred tax balance from £30,000 to £33,500.

10. Dividends

	2019 £	2018 £
Equity dividends paid - Ordinary shares	<u>8,799,968</u>	<u>7,605,849</u>
	<u><u>8,799,968</u></u>	<u><u>7,605,849</u></u>

During the year the Company paid a dividend of £1,759.99 (2018: £1,521.17) per Ordinary share.

Notes to the financial statements
For the Year Ended 31 December 2019

11. Tangible fixed assets

Group

	Leasehold property £	Computers & software £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	1,071,030	319,154	423,798	1,813,982
Additions	19,565	11,741	29,471	60,777
At 31 December 2019	1,090,595	330,895	453,269	1,874,759
Depreciation				
At 1 January 2019	415,940	258,706	189,464	864,110
Charge for the year on owned assets	129,883	39,428	41,903	211,214
At 31 December 2019	545,823	298,134	231,367	1,075,324
Net book value				
At 31 December 2019	544,772	32,761	221,902	799,435
At 31 December 2018	655,090	60,448	234,334	949,872

Notes to the financial statements
For the Year Ended 31 December 2019

11. Tangible fixed assets (continued)

Company

	Leasehold property £	Computers & software £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	1,071,030	319,154	423,798	1,813,982
Additions	19,565	11,741	29,471	60,777
At 31 December 2019	<u>1,090,595</u>	<u>330,895</u>	<u>453,269</u>	<u>1,874,759</u>
Depreciation				
At 1 January 2019	415,940	258,706	189,464	864,110
Charge for the year on owned assets	129,883	39,428	41,903	211,214
At 31 December 2019	<u>545,823</u>	<u>298,134</u>	<u>231,367</u>	<u>1,075,324</u>
Net book value				
At 31 December 2019	<u>544,772</u>	<u>32,761</u>	<u>221,902</u>	<u>799,435</u>
At 31 December 2018	<u>655,090</u>	<u>60,448</u>	<u>234,334</u>	<u>949,872</u>

12. Fixed asset investments

Company

	Investment in subsidiary company £
Cost or valuation	
At 1 January 2019	1
Additions	3,343,992
At 31 December 2019	<u>3,343,993</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2019

12. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
HarbourVest Partners (Ireland) Limited	Ireland	Ordinary	100%

13. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts owed by group undertakings	10,415,907	14,739,724	10,285,453	14,739,724
Other debtors	1,799,904	208,837	827,855	208,837
Prepayments and accrued income	537,218	249,953	528,760	249,953
	<u>12,753,029</u>	<u>15,198,514</u>	<u>11,642,068</u>	<u>15,198,514</u>

14. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	3,928,441	271,028	216,043	271,028
	<u>3,928,441</u>	<u>271,028</u>	<u>216,043</u>	<u>271,028</u>

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	171,615	155,194	156,980	155,194
Corporation tax	944,000	1,298,000	944,000	1,298,000
Other taxation and social security	1,314,096	1,130,149	1,314,096	1,130,149
Other creditors	-	1	-	1
Accruals and deferred income	7,289,373	4,981,103	6,408,201	4,981,103
	<u>9,719,084</u>	<u>7,564,447</u>	<u>8,823,277</u>	<u>7,564,447</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2019

16. Deferred taxation

Group

	2019 £
At beginning of year	(50,000)
Charged to profit or loss	20,000
At end of year	(30,000)

Company

	2019 £
At beginning of year	(50,000)
Charged to profit or loss	20,000
At end of year	(30,000)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(30,000)	(50,000)	(30,000)	(50,000)
	(30,000)	(50,000)	(30,000)	(50,000)

The closing deferred tax balance relates to fixed asset timing differences and is expected to unwind in future periods.

17. Reserves

Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the Group's shareholder.

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,000 (2018 - 5,000) Ordinary shares of £1.00 each	5,000	5,000

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2019

19. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £436,815 (2018: £336,182).

20. Commitments under operating leases

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

Group	2019 £	2018 £
Not later than 1 year	995,855	995,855
Later than 1 year and not later than 5 years	3,153,996	3,983,420
Later than 5 years	-	166,431
Total	4,149,851	5,145,706

21. Related party transactions

The Group has taken advantage of the exemption from disclosing related party transactions with its fellow group members provided by Section 33 Related Party Disclosures paragraph 33.1A of Financial Reporting Standard 102.

22. Post Statement of financial position date events

COVID-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. For further discussion concerning the management assessment of COVID 19 impact on the Group refer to note 1.

23. Controlling party

The parent company of the largest group of which HarbourVest Partners (UK) Limited is a member and for which group accounts are prepared is HarbourVest Partners, LLC, in the USA. These group accounts may be obtained from 44th Floor, 1 Financial Center, Boston, Massachusetts, USA.