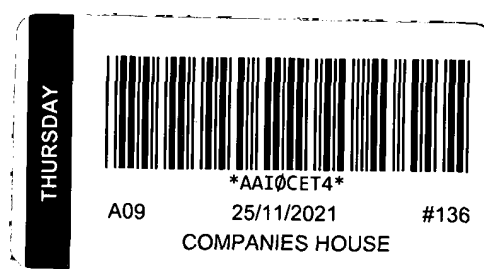


Registered number: 02512083

HarbourVest Partners (UK) Limited

Consolidated report and financial statements

For the Year Ended 31 December 2020



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 2020

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 2020. 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

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

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

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.

Trading for the year to 31 December 2020 has been in line with the expectations of the directors, with the Group recording a profit after tax of £11,190,517 (2019: £7,794,546).

As at 31 December 2020, 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:

	2020	2019
	£	£
Turnover	68,951,672	48,361,375
Administrative expenses	(55,207,126)	(38,812,464)
Profit on ordinary activities after taxation	11,190,517	7,794,546
Shareholder's funds	11,340,809	7,731,821
Current assets as % of current liabilities	190	172
Average number of employees	73	66

HarbourVest Partners (UK) Limited

Group strategic report (continued) For the Year Ended 31 December 2020

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"). The Brexit transition period that was in place ended 31 December 2020. The rules governing the new relationship between the European Union and the UK took effect on 1 January 2021. HarbourVest Partners, LLC and its affiliates took 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 therein. The measures taken include the following:

- 1) Electing to domicile more recent AIFs in Luxembourg to ensure they are able to benefit from the AIFMD marketing passport. A passport allows AIFMs to market its AIFs freely across the European Economic Area ('EEA') without the need to register the AIFs under the national private placement regimes in each EEA country;
- 2) Establishing HV Ireland to act as the EU AIFM of the AIFs (effective from 29 March 2019), ensuring the AIFs are able to benefit from the AIFMD marketing passport;
- 3) Switching primary Investor Relations coverage responsibilities from the Company to HarbourVest Partners (Ireland) Limited for a large number of key European geographies;
- 4) Implementing a new internal framework governing the Company's engagement with prospective European investors from the UK, including obtaining cross-border licenses/Temporary Permissions Regimes where available, permitting limited promotional activities that do not amount to conducting a regulated activity in certain jurisdictions, the chaperoning of Company employees by HarbourVest Partners (Ireland) Limited in certain jurisdictions, and temporarily seconding certain designated Company employees to HarbourVest Partners (Ireland) Limited on a part-time basis

During the period from 31 December 2020 to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has spread globally and caused extensive disruptions to businesses as well as economic activities globally with no exception for the UK.

HarbourVest Partners (UK) Limited

Group strategic report (continued) For the Year Ended 31 December 2020

However, as the Group's revenue model is based on a transfer pricing model, the board is not expecting 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.

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.

HarbourVest Partners (UK) Limited

Group strategic report (continued) For the Year Ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the Group

This statement is intended by the Board of Directors of HarbourVest Partners (UK) Limited to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the financial period ending 31 December 2020.

Stakeholders of the Group include employees, shareholders, customers, suppliers, creditors of the business and the community in which it operates.

The directors, both individually and collectively, consider that they have acted in good faith to promote the success of the Group for the benefit of its stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the period. In particular:

- To ensure the directors take account of the likely consequences of their decision in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, and review of distribution activities. The Group's performance and progress are also reviewed regularly at the Board meetings.
- The Group's employees are fundamental to the success of the business. The directors understand that it is critical to engage with and understand their views and to ensure that all employee's interests are considered. To strengthen employee engagement, the directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitations. During the period, the Group performed employee engagement surveys and continues to gather feedback from employees to make changes as needed to improve the working environment of its employees.
- The Company acts as a representative and performs various advisory and liaison functions for its parent, HarbourVest Partners LLC. The Company's subsidiary, HarbourVest Partners (Ireland) Limited, is authorized as an Alternative Investment Fund Manager and provides portfolio management, risk management, administration and marketing in respect of the Alternative Investment Funds under the Alternative Investment Fund Managers Directive. The Group strives to continually improve and strengthen its services for the mutual benefit for all its stakeholders and to maintain its reputation for high quality services and high standards of business conduct.
- The Group has adopted an Environmental, Social, and Governance (ESG) Policy which formalizes its longstanding view of considering all stakeholders in management decisions. The directors are committed to respecting the interests of clients, employees and key stakeholders, holding themselves to the highest ethical standards and caring about the communities and the environment.
- The directors' intentions are to behave responsibly toward all stakeholders and treat them fairly, so that they all benefit from the long-term success of the Group.

The directors have overall responsibility for determining the Group's purpose, values and strategy and for ensuring high standards of governance. Throughout 2021, the directors will continue to review and challenge how the Group can improve engagement with its employees and other stakeholders.

This report was approved by the board on April 16, 2021 and signed on its behalf.



Peter G. Wilson
Director

HarbourVest Partners (UK) Limited

Directors' report For the Year Ended 31 December 2020

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

Principal activity

The Company has continued to be engaged by HarbourVest Partners LLC, 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 £11,190,517 (2019: £7,794,546).

A final dividend was paid amounting to £7,794,546 (2019: £8,799,968).

Shareholders' Funds amounted to £11,340,809 (2019: £7,731,821).

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
Corentin Du Roy De Blicquy

Auditor

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

HarbourVest Partners (UK) Limited

Directors' report (continued) For the Year Ended 31 December 2020

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

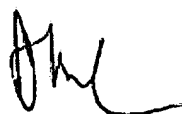
The Company signed a contract for the lease of space on the First Floor, 33 Jermyn Street on 23 December 2020 and the sale of the lease was completed on 1 January 2021.

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 16, 2021 and signed on its behalf.



Peter G. Wilson
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 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statements of changes in equity and the Consolidated Statement of cash flows, 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 2020 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.

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

HarbourVest Partners (UK) Limited

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

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, 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 6, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (FRS 102, Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Parent Company is required to comply with relevant Financial Conduct Authority's (FCA) rules and regulations relating to its operations.
- We understood how HarbourVest Partners (UK) Limited is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding by reviewing board meeting minutes and relevant policy and procedures manuals. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We incorporated data analytics and performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue based on the transfer pricing arrangements applied by management and tested a sample of inputs in the calculation back to source documentation. We also used our internal transfer pricing specialists to review the appropriateness of the transfer pricing arrangement.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register, and review of board meeting minutes.
- The Parent Company is a regulated investment manager under the supervision of the FCA. As such, the Senior statutory auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HarbourVest Partners (UK) Limited

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

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.

Ernst & Young LLP

Mitul Shah (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 22 April 2021

HarbourVest Partners (UK) Limited

Consolidated statement of comprehensive income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	68,951,672	48,361,375
Gross profit		68,951,672	48,361,375
Administrative expenses		(55,207,126)	(38,812,464)
Operating profit		13,744,546	9,548,911
Interest receivable and similar income		12,973	54,675
Profit on ordinary activities before taxation		13,757,519	9,603,586
Taxation on profit on ordinary activities	9	(2,567,002)	(1,809,040)
Profit for the financial year		11,190,517	7,794,546
Total comprehensive income for the year		11,190,517	7,794,546
Profit for the year attributable to:			
Owners of the parent company		11,190,517	7,794,546
		11,190,517	7,794,546

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

All activities are derived from continuing operations.

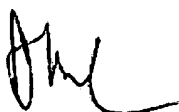
The notes on pages 18 to 30 form part of these financial statements.

HarbourVest Partners (UK) Limited
Registered number: 02512083

Consolidated statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	894,490	799,435
		<u>894,490</u>	<u>799,435</u>
Current assets			
Debtors: amounts falling due within one year	13	17,656,316	12,753,029
Cash at bank and in hand	14	4,390,961	3,928,441
		<u>22,047,277</u>	<u>16,681,470</u>
Creditors: amounts falling due within one year	15	(11,594,958)	(9,719,084)
Net current assets		<u>10,452,319</u>	<u>6,962,386</u>
Total assets less current liabilities		<u>11,346,809</u>	<u>7,761,821</u>
Provisions for liabilities			
Deferred taxation	16	(6,000)	(30,000)
		<u>(6,000)</u>	<u>(30,000)</u>
		<u>11,340,809</u>	<u>7,731,821</u>
Net assets		<u>11,340,809</u>	<u>7,731,821</u>
Capital and reserves			
Called up share capital	18	5,000	5,000
Foreign currency translation reserve	17	145,292	(67,725)
Profit and loss account	17	11,190,517	7,794,546
Shareholder's funds attributable to the members of the parent Company		<u>11,340,809</u>	<u>7,731,821</u>
Total shareholder's funds		<u>11,340,809</u>	<u>7,731,821</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 16, 2021.



Peter G. Wilson
Director

The notes on pages 18 to 30 form part of these financial statements.

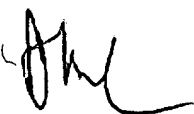
HarbourVest Partners (UK) Limited
Registered number: 02512083

Company statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	634,666	799,435
Investments	12	3,343,993	3,343,993
		<u>3,978,659</u>	<u>4,143,428</u>
Current assets			
Debtors: amounts falling due within one year	13	15,679,341	11,642,068
Cash at bank and in hand	14	669,183	216,043
		<u>16,348,524</u>	<u>11,858,111</u>
Creditors: amounts falling due within one year	15	(10,193,063)	(8,823,277)
Net current assets		<u>6,155,461</u>	<u>3,034,834</u>
Total assets less current liabilities		<u>10,134,120</u>	<u>7,178,262</u>
Provisions for liabilities			
Deferred taxation	16	(6,000)	(30,000)
		<u>(6,000)</u>	<u>(30,000)</u>
		<u>10,128,120</u>	<u>7,148,262</u>
Net assets		<u>10,128,120</u>	<u>7,148,262</u>
Capital and reserves			
Called up share capital	18	5,000	5,000
Profit and loss account	17	10,123,120	7,143,262
Shareholder's funds		<u>10,128,120</u>	<u>7,148,262</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 £10,123,120 (2019: £7,143,262).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on April 16, 2021.



Peter G. Wilson
Director

The notes on pages 18 to 30 form part of these financial statements.

HarbourVest Partners (UK) Limited

**Consolidated statement of changes in equity
As at 31 December 2020**

	Share capital £	Foreign currency translation reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
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	-	-	(8,799,968)	(8,799,968)	(8,799,968)
Exchange difference on translation of foreign operations	-	(67,725)	-	(67,725)	(67,725)
At 1 January 2020	5,000	(67,725)	7,794,546	7,731,821	7,731,821
Income for the year					
Profit for the year	-	-	11,190,517	11,190,517	11,190,517
Dividends	-	-	(7,794,546)	(7,794,546)	(7,794,546)
Exchange difference on translation of foreign operations	-	213,017	-	213,017	213,017
At 31 December 2020	5,000	145,292	11,190,517	11,340,809	11,340,809

The notes on pages 18 to 30 form part of these financial statements.

HarbourVest Partners (UK) Limited

**Company statement of changes in equity
As at 31 December 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
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	-	(8,799,968)	(8,799,968)
At 1 January 2020	5,000	7,143,262	7,148,262
Income for the year			
Profit for the year	-	10,123,120	10,123,120
Dividends	-	(7,143,262)	(7,143,262)
At 31 December 2020	5,000	10,123,120	10,128,120

The notes on pages 18 to 30 form part of these financial statements.

HarbourVest Partners (UK) Limited

Consolidated statement of cash flows For the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	11,190,517	7,794,546
Adjustments for:		
Depreciation of tangible assets	223,542	211,214
Interest received	(12,973)	(54,675)
Taxation charge	2,567,002	1,809,040
Decrease/(increase) in debtors	529,471	(1,878,331)
(Increase)/decrease in amounts owed by groups	(5,432,758)	4,323,817
Increase in creditors	1,237,753	2,508,637
Corporation tax paid	(1,952,881)	(2,183,040)
Net cash generated from operating activities	8,349,673	12,531,208
Cash flows from investing activities		
Purchase of tangible fixed assets	(318,730)	(60,777)
Interest received	12,973	54,675
Net cash used in investing activities	(305,757)	(6,102)
Cash flows from financing activities		
Dividends paid	(7,794,546)	(8,799,968)
Net cash used in financing activities	(7,794,546)	(8,799,968)
Net increase in cash and cash equivalents	249,370	3,725,138
Cash and cash equivalents at beginning of year	3,928,441	271,028
Foreign exchange gains/(losses)	213,150	(67,725)
Cash and cash equivalents at the end of year	4,390,961	3,928,441
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,390,961	3,928,441
	4,390,961	3,928,441

The notes on pages 18 to 30 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 December 2020**

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 COVID-19 pandemic did not have a material impact on Group results for the year ended 31 December 2020. During the year the Group and the service providers moved to remote working arrangements. Management has included an analysis of the impact of COVID-19 as part of their going concern assessment using information available to the date of issue of these financial statements. The Group does not expect COVID-19 to have a material impact on Group results in the future. It is reasonably expected that the Group has adequate resources to continue in operational existence for 12 months from the date of issuance of these financial statements and that there will be no impact on going concern.

The Company provides services to the parent and receives a service fee based on the reimbursement of its costs plus a mark up. 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, the 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 Group'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 2020**

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 acquisition 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 2015.

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 the Consolidated 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 Consolidated statement of comprehensive income.

**Notes to the financial statements
For the Year Ended 31 December 2020**

1. Accounting policies (continued)

1.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated 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.

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 2020**

1. Accounting policies (continued)

1.11 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final 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 2020

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:

	2020 £	2019 £
Provision of consultancy services to the Parent company in the USA and management services to Alternative Investment Funds	68,951,672	48,361,375
	<u>68,951,672</u>	<u>48,361,375</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

4. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	223,675	211,214
Exchange differences	318,830	-
Defined contribution pension cost	497,172	436,815
Operating lease payments	1,708,683	1,704,528
	2,748,360	2,352,557

5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts*	52,621	37,081
	52,621	37,081

*£33,500 represents audit fees related to the Company.

The auditor did not receive any remuneration in respect of non-audit services during the year (2019: £Nil).

6. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	20,599,737	17,890,076	18,551,840	16,259,966
Social security costs	2,899,430	2,426,635	2,557,383	2,250,002
Cost of defined contribution scheme	497,172	436,815	362,593	389,129
	23,996,339	20,753,526	21,471,816	18,899,097

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

6. Employees (continued)

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

	2020 £	2019 £
Investment	33	31
IR	21	17
Operations	19	18
	<u>73</u>	<u>66</u>

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>4,538,952</u>	<u>4,270,727</u>

The highest paid director received remuneration of £1,925,093 (2019: £2,030,226).

8. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>12,973</u>	<u>54,675</u>
	<u>12,973</u>	<u>54,675</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on UK profits for the year	2,411,000	1,709,000
Adjustments in respect of previous periods	(15,053)	26,999
Current tax on Irish profits for the year	195,055	93,041
	<u>2,591,002</u>	<u>1,829,040</u>
Total current tax	<u>2,591,002</u>	<u>1,829,040</u>
Deferred tax		
Origination and reversal of timing differences	(24,000)	(20,000)
Total deferred tax	<u>(24,000)</u>	<u>(20,000)</u>
Taxation on profit on ordinary activities	<u>2,567,002</u>	<u>1,809,040</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>13,757,519</u>	<u>9,603,586</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	2,613,929	1,824,681
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	37,506	5,740
Adjustments to tax charge in respect of prior periods	(15,053)	26,999
Difference in overseas tax rates	(69,380)	(48,380)
Total tax charge for the year	<u>2,567,002</u>	<u>1,809,040</u>

Factors that may affect future tax charges

The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. As this rate was not substantively enacted at the year end, deferred tax has been calculated based on the prevailing rate of 19%.

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

10. Dividends

	2020 £	2019 £
Dividends paid - Ordinary shares	7,794,546	8,799,968
	<u>7,794,546</u>	<u>8,799,968</u>

During the year the Company paid a dividend of £1,428.65 (2019: £1,759.99) per Ordinary share.

11. Tangible fixed assets

Group

	Leasehold property £	Computers & software £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2020	1,090,595	330,895	453,269	1,874,759
Additions	217,222	58,603	42,905	318,730
At 31 December 2020	<u>1,307,817</u>	<u>389,498</u>	<u>496,174</u>	<u>2,193,489</u>
Depreciation				
At 1 January 2020	545,823	298,134	231,367	1,075,324
Charge for the year on owned assets	142,830	34,007	46,838	223,675
At 31 December 2020	<u>688,653</u>	<u>332,141</u>	<u>278,205</u>	<u>1,298,999</u>
Net book value				
At 31 December 2020	<u>619,164</u>	<u>57,357</u>	<u>217,969</u>	<u>894,490</u>
At 31 December 2019	<u>544,772</u>	<u>32,761</u>	<u>221,902</u>	<u>799,435</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

11. Tangible fixed assets (continued)

Company

	Leasehold property £	Computers & software £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2020	1,090,595	330,895	453,269	1,874,759
Additions	29,750	-	-	29,750
At 31 December 2020	<u>1,120,345</u>	<u>330,895</u>	<u>453,269</u>	<u>1,904,509</u>
Depreciation				
At 1 January 2020	545,823	298,134	231,367	1,075,324
Charge for the year on owned assets	131,614	22,368	40,537	194,519
At 31 December 2020	<u>677,437</u>	<u>320,502</u>	<u>271,904</u>	<u>1,269,843</u>
Net book value				
At 31 December 2020	<u>442,908</u>	<u>10,393</u>	<u>181,365</u>	<u>634,666</u>
At 31 December 2019	<u>544,772</u>	<u>32,761</u>	<u>221,902</u>	<u>799,435</u>

12. Fixed asset investments

Company

	Investment in subsidiary company £
Cost or valuation	
At 1 January 2020	3,343,993
At 31 December 2020	<u>3,343,993</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

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	32 Molesworth Street, Dublin 2, Ireland	Ordinary	100%

13. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts owed by group undertakings	15,848,665	10,415,907	14,835,207	10,285,453
Other debtors	1,182,265	1,799,904	262,650	827,855
Prepayments and accrued income	625,386	537,218	581,484	528,760
	<u>17,656,316</u>	<u>12,753,029</u>	<u>15,679,341</u>	<u>11,642,068</u>

14. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	4,390,961	3,928,441	669,183	216,043
	<u>4,390,961</u>	<u>3,928,441</u>	<u>669,183</u>	<u>216,043</u>

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	68,231	171,615	61,899	156,980
Corporation tax	1,582,121	944,000	1,561,000	944,000
Other taxation and social security	1,773,556	1,314,096	1,450,750	1,314,096
Accruals and deferred income	8,171,050	7,289,373	7,119,414	6,408,201
	<u>11,594,958</u>	<u>9,719,084</u>	<u>10,193,063</u>	<u>8,823,277</u>

HarbourVest Partners (UK) Limited

Notes to the financial statements For the Year Ended 31 December 2020

16. Deferred taxation

Group

	2020 £
At beginning of year	(30,000)
Charged to profit or loss	24,000
At end of year	(6,000)

Company

	2020 £
At beginning of year	(30,000)
Charged to profit or loss	24,000
At end of year	(6,000)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(6,000)	(30,000)	(6,000)	(30,000)
	(6,000)	(30,000)	(6,000)	(30,000)

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

	2020 £	2019 £
Allotted, called up and fully paid		
5,000 (2019 - 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 2020

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 £497,172 (2019: £436,815).

20. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2020 £	2019 £
Not later than 1 year	1,297,871	995,855
Later than 1 year and not later than 5 years	2,948,078	3,153,996
Total	4,245,949	4,149,851

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

The Company signed a contract for the lease of space on the First Floor, 33 Jermyn Street on 23 December 2020 and the sale of the lease was completed on 1 January 2021.

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.