

# Permira Debt Managers Holdings Limited

(Registered Number: 5965981)

Annual Report 31 December 2019

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**PERMIRA**  
DEBT MANAGERS

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# Permira Debt Managers Holdings Limited

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## Company Information

<b>Directors</b>	Peter Gibbs James Greenwood Thomas Kyriakoudis Duncan Smith
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<b>Registered Number</b>	5965981
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<b>Registered Office</b>	80 Pall Mall London SW1Y 5ES
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<b>Secretary</b>	Buzzacott Secretaries Limited
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<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
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<b>Bankers</b>	Royal Bank of Scotland London Corporate SC PO Box 39952 21/2 Devonshire Square London EC2M 4XJ
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## Strategic Report for the year ended 31 December 2019

The Directors present their strategic report on Permira Debt Managers Holdings Limited (the "Company") for the year ended 31 December 2019.

### **Business Review and Principal Activities**

Fair review of the business:

The Company wholly owns Permira Debt Managers Limited (the "Subsidiary"), which acts as an investment manager, adviser and sub-adviser to certain debt investment vehicles. The Subsidiary is authorised by the Financial Conduct Authority to conduct investment business.

### **Principal Risks and Uncertainties**

The board is responsible for evaluating and managing the Company's risks and uncertainties. The risks and uncertainties directly affecting the Company relate to its Subsidiary's revenue agreements and appropriate policies and procedures are in place by the board to ensure that such risks are managed accordingly. The Directors have also considered the Company's exposure to price, credit, liquidity, foreign exchange and cash flow risk. The Directors believe that the Company does not have any material exposure to these risks and that, where appropriate, policies and procedures are in place such that these risks are mitigated accordingly.

Since the reporting date, the outbreak of the novel Coronavirus disease 2019 (Covid-19) has had a significant impact globally. The board also considers that the Company does not have any material exposure to credit, liquidity or cash flow risk and that there are appropriate policies and procedures in place to monitor and manage these risks accordingly.

### **Key Performance Indicators ("KPIs")**

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

### **On Behalf of the Board**



J Greenwood, Director  
10 June 2020

# Permira Debt Managers Holdings Limited

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## Directors' Report

for the year ended 31 December 2019

### Financial Statements

The Directors present the annual report and the consolidated audited financial statements for the year ended 31 December 2019.

### Results and Dividends

The results for the Group shows a profit of £4.1m for the financial year (2018: profit of £2.1m). The financial statements continue to be prepared on a going concern basis as the Company is expected to have sufficient resources to remain in business for the foreseeable future. The Directors paid a dividend of £2,141k in 2019 (2018: £816k).

### Future Developments

Incremental revenue amounts have already been identified for 2020 with respect to new funds and the Directors anticipate that the Group will remain profitable in 2020 and therefore continue to adopt the going concern basis in preparing these financial statements.

### Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 2.

### Directors' Indemnity

Permira Holdings Limited is the policyholder for the Permira Group's Directors and Officers programme. The policy covers all Directors and Officers of the policyholder and of the policyholder's subsidiaries, which include Permira Debt Managers Holdings Limited and Permira Debt Managers Limited ("PDML"). The Directors can confirm that the policy has been in place during the year and remains in place at the date of approval of the Directors' Report.

### Capital

Permira Debt Managers Holdings Limited is not itself regulated by the Financial Conduct Authority, but the Company falls within the UK Consolidation Group which includes its regulated subsidiary Permira Debt Managers Limited (FRN: 465847).

Details of Permira Debt Managers Limited's Pillar 3 Disclosures and CRD IV disclosures, including the Company's available capital resources, can be found on the Company's website: <http://permiradebtmanagers.co.uk/>

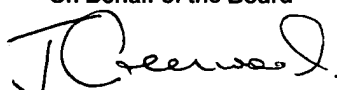
### Statement as to Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming board meeting.

### On Behalf of the Board



J Greenwood, Director

10 June 2020

## Statement of Directors' Responsibilities for the year ended 31 December 2019

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

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

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

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

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On Behalf of the Board



J Greenwood, Director  
10 June 2020

# Permira Debt Managers Holdings Limited

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## Independent Auditors' Report

to the Members of Permira Debt Managers Holdings Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, Permira Debt Managers Holdings Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2019 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statement of Financial Position as at 31 December 2019; the Consolidated Income Statement, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

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

#### Independence

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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 and 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.

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

#### Reporting on other information

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

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

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

## Independent Auditors' Report (continued)

to the Members of Permira Debt Managers Holdings Limited

### Reporting on other information (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditors' responsibilities for the audit of the financial statements

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

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

#### Use of this report

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

#### Other required reporting

##### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Richard McGuire (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

10 June 2020



# Permira Debt Managers Holdings Limited

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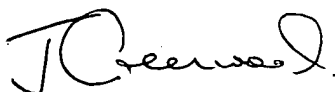
## Consolidated Statement of Financial Position

at 31 December 2019

(Registered number: 5965981)

	2019 £000	2018 £000
<b>Non-current assets</b>		
Intangible asset (Note 8)	3,238	-
Tangible fixed assets (Note 7)	287	378
	<u>3,525</u>	<u>378</u>
<b>Current assets</b>		
Accounts receivables (Note 12)	11,865	8,412
Deferred tax asset (Note 10)	-	87
Cash and cash equivalents (Note 2 (I))	10,085	6,892
Derivative financial instruments (Note 14)	245	-
	<u>22,195</u>	<u>15,391</u>
<b>Current liabilities</b>		
Trade payables (Note 13)	(16,573)	(8,275)
<b>Net current assets</b>	<u>5,622</u>	<u>7,116</u>
<b>Net assets</b>	<u>9,147</u>	<u>7,494</u>
<b>Equity</b>		
Share capital (Note 15)	3,476	3,476
Share premium account (Note 15)	2,807	3,065
Retained earnings	2,864	953
<b>Total equity</b>	<u>9,147</u>	<u>7,494</u>

The financial statements on pages 8 to 23 were approved by the Board of Directors on 10 June 2020 and signed on its behalf by:



J Greenwood, Director

Notes to the financial statements - pages 13 to 23.

## Company Statement of Financial Position

at 31 December 2019

(Registered number: 5965981)

	2019 £000	2018 £000
<b>Fixed assets</b>		
Investments (Note 11)	6,275	6,275
<b>Current assets</b>		
Accounts receivables (Note 12)	-	266
Cash and cash equivalents	53	39
	<u>53</u>	<u>305</u>
<b>Current liabilities</b>		
Trade payables	(43)	(39)
<b>Net current assets</b>	<u>10</u>	<u>266</u>
<b>Net assets</b>	<u>6,285</u>	<u>6,541</u>
<b>Equity</b>		
Share capital (Note 15)	3,476	3,476
Share premium account (Note 15)	2,807	3,065
Retained earnings	2	-
<b>Total equity</b>	<u>6,285</u>	<u>6,541</u>

The financial statements on pages 8 to 23 were approved by the Board of Directors on 10 June 2020 and signed on its behalf by:



**J Greenwood, Director**

# Permira Debt Managers Holdings Limited

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## Consolidated Income Statement

for the year ended 31 December 2019

(Registered number: 5965981)

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Turnover</b> (Note 5)	<b>28,365</b>	18,511
Administrative expenses	<b>(23,649)</b>	(15,903)
Changes in fair value of financial instruments (Note 14)	<b>245</b>	-
<b>Profit before taxation</b> (Note 3)	<b>4,961</b>	2,608
Tax on profit (Note 9)	<b>(909)</b>	(489)
<b>Profit for the financial year</b>	<b>4,052</b>	2,119

The results above are all in respect of continuing operations.

## Consolidated Cash Flow Statement for the year ended 31 December 2019

	2019 £000	2018 £000
Cash flow from operating activities (Note 16)	7,000	3,449
Taxes paid	(435)	-
<b>Net cash inflow from operating activities</b>	<b>6,565</b>	<b>3,449</b>
<b>Investing activities</b>		
Tangible fixed asset acquisitions	(34)	(321)
Intangible asset acquisitions	(1,197)	-
<b>Net cash outflow from investing activities</b>	<b>(1,231)</b>	<b>(321)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital	-	-
Dividends Paid	(2,141)	(1,074)
<b>Net cash outflow from financing activities</b>	<b>(2,141)</b>	<b>(1,074)</b>
<b>Increase in cash and cash equivalents</b>	<b>3,193</b>	<b>2,054</b>
Cash and cash equivalents at the beginning of the year	6,892	4,838
<b>Cash and cash equivalents at the end of the year</b>	<b>10,085</b>	<b>6,892</b>

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

# Permira Debt Managers Holdings Limited

## Statements of Changes in Equity for the year ended 31 December 2019

Consolidated	Share capital £000	Share premium £000	(Accumulated losses)/ Retained earnings £000	Total equity £000
<b>Year ended 31 December 2018</b>				
Balance at the beginning of the year	3,476	3,065	(350)	6,191
Profit for the year	-	-	2,119	2,119
Dividend paid (Note 15)	-	-	(1,074)	(1,074)
Receivables related to excessive dividend paid	-	-	258	258
<b>Balance at the end of the year</b>	<b>3,476</b>	<b>3,065</b>	<b>953</b>	<b>7,494</b>

### Year ended 31 December 2019

Balance at the beginning of the year	3,476	3,065	953	7,494
Profit for the year	-	-	4,052	4,052
Dividend paid (Note 15)	-	-	(2,141)	(2,141)
Share premium reduction (Note 15 )	-	(258)	-	(258)
<b>Balance at the end of the year</b>	<b>3,476</b>	<b>2,807</b>	<b>2,864</b>	<b>9,147</b>

Company	Share capital £000	Share premium £000	(Accumulated losses)/ Retained earnings £000	Total equity £000
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### Year ended 31 December 2018

Balance at the beginning of the year	3,476	3,065	(14)	6,527
Profit for the year	-	-	830	830
Dividend paid (Note 15)	-	-	(1,074)	(1,074)
Receivables related to excessive dividend paid	-	-	258	258
<b>Balance at the end of the year</b>	<b>3,476</b>	<b>3,065</b>	<b>-</b>	<b>6,541</b>

### Year ended 31 December 2019

Balance at the beginning of the year	3,476	3,065	-	6,541
Profit for the year	-	-	2,143	2,143
Dividend paid (Note 15)	-	-	(2,141)	(2,141)
Share premium reduction (Note 15 )	-	(258)	-	(258)
<b>Balance at the end of the year</b>	<b>3,476</b>	<b>2,807</b>	<b>2</b>	<b>6,285</b>

## Notes to the Financial Statements

### 1. Statement of compliance

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The consolidated financial statements of Permira Debt Managers Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 2. Summary of significant accounting policies

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

#### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention (as modified by the recognition of certain financial assets and liabilities measured at fair value).

#### (b) Going concern

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

#### (c) Basis of consolidation

The consolidated financial statements have been prepared in accordance with section 9 of FRS 102. They incorporate the financial statements of the Company and all its subsidiaries.

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities acquired or assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Groups' share of the identifiable net assets acquired is recorded as goodwill. Where the fair value of the identifiable net assets exceeds the cost of acquisition, negative goodwill is recorded. Goodwill is amortised in the consolidated statement of comprehensive income over the expected useful economic life and is subject to impairment reviews. Negative goodwill is recognised in the statement of comprehensive income in the period in which the Group expects to benefit.

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the Company. The profit for the financial year dealt with in the financial statements of the Company was £2,143k (2018: profit £830k).

# Permira Debt Managers Holdings Limited

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## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (d) Income and expenses

Turnover represents fee income in respect of services provided and is recognised on an accruals basis unless recovery of that income is uncertain. Expenditure is accounted for on an accruals basis.

#### (e) Tangible fixed assets and depreciation

Intangible assets are stated at cost less amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. The intangible asset comprises of placement agency fees directly attributable to securing investors into a fund whose authorised fund manager has delegated portfolio management activities to the Company. These fees are separately identifiable and reliably measured, and will be amortised over the duration of the investment period over which the Company expects to receive turnover, being four years from fund closing date.

The principal depreciation rates used are:

Furniture and fittings	20%
Computer equipment	25%

#### (f) Intangible assets and amortisation

Intangible assets are stated at cost less amortisation and accumulated impairment losses. Placement agent fees that are directly attributable to securing investors into a fund and that are separately identifiable, reliably measurable and which are likely to be recovered are capitalised and the cost is amortised over the expected useful economic life of 4 years from date of fund closing.

#### (g) Investments

Investments in subsidiary undertakings are valued at cost less accumulated impairment losses.

#### (h) Financial instruments

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

##### a) Financial assets

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

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

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

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

## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### a) Financial assets (continued)

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

#### b) Financial liabilities

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

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

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

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

Derivatives, including forward foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement.

#### (i) Foreign currency

The Group's functional and presentation currency is GBP because that is the currency of the primary economic environment which the company operates. Foreign currency monetary assets and liabilities are translated into GBP at the rate of exchange ruling at the Statement of Financial Position date. Transactions in currencies other than GBP are translated into the reporting currency at the rate of exchange ruling at the date of the transaction. Realised and unrealised foreign exchange gains and losses are taken to the Income Statement.

#### (j) Taxation and deferred taxation

Taxation for the period comprises current and deferred tax recognised in the reporting period. Taxation represents the amount estimated to be payable or recoverable in respect of the taxable profit or loss for the period, along with adjustments to estimates in respect of previous periods.

Deferred taxation has been recognised as a liability or asset if a transaction has occurred at the reporting date that gives rise to an obligation to pay more or less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred taxation assets and liabilities recognised have not been discounted.

#### (k) Pensions

The Group operates a defined contributions pension scheme. Contributions to the defined contribution scheme or to other private pensions plans (SIPPs) are recognised in the Income Statement in the period in which they become payable.



# Permira Debt Managers Holdings Limited

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## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (l) Cash and cash equivalents

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

#### (m) Related parties

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

#### (n) Critical accounting estimates and judgments

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Judgements, estimates and assumptions have been made in relation to derivative financial instruments when calculating the fair value of these instruments (see note 14). The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

### 3. Profit before taxation

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets	<b>125</b>	124
Amortisation of intangible assets	<b>643</b>	-
Auditors' remuneration (Note 4)	<b>177</b>	147
Staff costs and directors' emoluments (Note 6)	<b>20,071</b>	13,703
Foreign exchange loss/(gain)	<b>110</b>	(8)

### 4. Auditors remuneration

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	<b>34</b>	14
Fees payable to the Company's auditors and its associates in respect of:		
Audit of the financial statements of the subsidiary	<b>47</b>	32
Tax compliance services	<b>16</b>	-
Tax advisory services	-	28
Other assurance services	<b>80</b>	73
	<b>177</b>	147

## Notes to the Financial Statements (continued)

### 5. Turnover

	2019 £000	2018 £000
Turnover for the year is analysed as follows:		
Management fees	28,365	17,279
Incentive fees	-	1,232
	<u>28,365</u>	<u>18,511</u>

### 6. Staff costs and key management compensation

	2019 £000	2018 £000
Wages and salaries	16,841	11,875
Social security costs	2,557	1,323
Other pension costs	673	505
	<u>20,071</u>	<u>13,703</u>

The pension costs of £673k for the year (2018: £505k) represent contributions by the Group to defined contribution pension schemes. Beneficiaries of the schemes include 2 Directors (2018: 2 Directors). At 31 December 2019, contributions amounting to £31k (2018: £145k) were payable to the schemes.

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

	2019 Number	2018 Number
Directors	2	2
Employees: Investment Professionals	23	20
Organisational Professionals	23	17
	<u>48</u>	<u>39</u>
	<u>2019 £000</u>	<u>2018 £000</u>
Aggregate Directors' emoluments	4,711	2,363
	<u>4,711</u>	<u>2,363</u>

The emoluments of the Directors disclosed above include the following amounts paid to the highest paid Director:

	2019 £000	2018 £000
Wages and salaries	2,326	1,134
Other pension costs	65	45
	<u>2,391</u>	<u>1,179</u>

Key Management personnel includes Directors as above and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2019 £000	2018 £000
Key management personnel compensation	<u>5,458</u>	<u>2,983</u>

# Permira Debt Managers Holdings Limited

## Notes to the Financial Statements (continued)

### 7. Tangible fixed assets (Group)

	Computer Equipment £000	Furniture and Fittings £000	Total £000
<b>Cost</b>			
At 1 January 2019	231	349	580
Additions	31	3	34
<b>At 31 December 2019</b>	<b>262</b>	<b>352</b>	<b>614</b>
<b>Accumulated Depreciation</b>			
At 1 January 2019	108	94	202
Charge for the year	56	69	125
<b>At 31 December 2019</b>	<b>164</b>	<b>163</b>	<b>327</b>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>98</b>	<b>189</b>	<b>287</b>
At 31 December 2018	123	255	378

### 8. Intangible assets

	2019 £000	2018 £000
At 1 January	-	-
Additions	3,881	-
Amortisation	(643)	-
<b>At 31 December 2019</b>	<b>3,238</b>	<b>-</b>

The intangible asset comprises of placement agency fees directly attributable to securing investors into a fund whose authorised fund manager has delegated portfolio management activities to the Group. These fees are separately identifiable and reliably measured, and will be amortised over the duration of the investment period over which the capital secured from the fund's investors will be deployed, being four years from fund closing date, which is the same duration over which the Group expects to settle.

### 9. Tax on profit

	2019 £000	2018 £000
Corporation tax @ 19% (2018: 19%)	(822)	-
Deferred tax charge	(87)	(489)
<b>Total tax charged to Income statement</b>	<b>(909)</b>	<b>(489)</b>

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

## 9. Tax on profit (continued)

	2019 £000	2018 £000
Profit before taxation	4,961	2,608
Profit multiplied by the current standard rate of corporation tax in the UK of 19% (2018: 19%)	(943)	(496)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(10)	(3)
Accelerated capital allowances and other timing differences	(17)	(7)
Adjustment in respect of prior years	61	17
Taxation for the year	(909)	(489)

## 10. Deferred tax asset

The analysis for deferred tax assets and deferred tax liabilities is as follows:

	2019 £000	2018 £000
As at 1 January	87	576
Income statement charge	(87)	(489)
As at 31 December	-	87

\*Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

## 11. Investments

	Company 2019 £000	Company 2018 £000
Investment in subsidiary	6,275	6,275
	6,275	6,275

Subsidiary	% Voting interest held	Nature of business	Incorporation
Permira Debt Managers Limited 80 Pall Mall, London, SW1Y 5ES	100%	Investment manager and investment adviser	UK

The Directors believe that the carrying value of the investment is supported by the projected future profitability of the underlying Subsidiary.

# Permira Debt Managers Holdings Limited

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## Notes to the Financial Statements (continued)

### 12. Accounts receivables

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Amounts owed by group undertakings*	<b>5,936</b>	7,096
Other debtors	<b>5,244</b>	733
Prepayments and accrued income	<b>685</b>	583
	<b>11,865</b>	<b>8,412</b>

\*Amounts owed by group undertakings include £4,244k (2018: £6,339k) due in respect to management and advisory fee income and £1,792k (2018: £757k) in respect to the recovery of expenses incurred in relation to the Company's provision of management and advisory services, which are repayable on demand and interest free.

	<b>Company 2019 £000</b>	<b>Company 2018 £000</b>
Amounts owed by group undertakings*	-	258
Other debtors	-	8
	-	<b>266</b>

\*Amounts owed by group undertakings relates to excessive dividends paid (2018: £258) (Note 15)

### 13. Trade payables

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Amounts owed to group undertakings*	<b>969</b>	1,039
Other creditors including taxation and social security	<b>1,120</b>	568
Accruals and deferred income	<b>14,484</b>	6,668
	<b>16,573</b>	<b>8,275</b>

\*Amounts owed to group undertakings related to payroll and shared service costs, which are repayable on demand.

### 14. Derivative financial instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. As at 31 December 2019, the outstanding contracts all mature within 3 months (2018: none) of the year end. The Group is committed to sell €5,400k (2018:€nil) and receive a fixed sterling amount. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:EUR. The fair value of the forward foreign currency contract is £245k (2018: £nil).

## Notes to the Financial Statements (continued)

### 15. Share capital

	2019 £000	2018 £000
<b><u>Authorised</u></b>		
100,000 Ordinary Shares @ £0.01	1	1
319,000,000 A Ordinary Shares @ £0.01	3,190	3,190
34,650,000 A2 Ordinary Shares @ €0.01	255	255
3,000,000 A Ordinary Shares @ £0.01	30	30
	<u>3,476</u>	<u>3,476</u>

	2019 £000	2018 £000
<b><u>Allotted, Issued and Fully Paid</u></b>		
96,000 Ordinary Shares @ £0.01	1	1
319,000,000 A Ordinary Shares @ £0.01	3,190	3,190
34,650,000 A2 Ordinary Shares @ €0.01	255	255
3,000,000 A Ordinary Shares @ £0.01	30	30
	<u>3,476</u>	<u>3,476</u>

	2019 £000	2018 £000
<b><u>Share premium</u></b>		
Share premium at the beginning of the year		
3,096,000 A Ordinary Shares @ £0.91	2,807	3,065
Issue of Ordinary shares during the year	-	-
Share premium at the end of the year	<u>2,807</u>	<u>3,065</u>

Share premium was reduced in 2019 by £258,000 due to an overpayment of dividend in 2018.

### Dividends

Class A and A2 Ordinary shareholders are entitled to a dividend.

	2019 £000	2018 £000
Dividends paid	2,141	1,074
Total dividends paid	<u>2,141</u>	<u>1,074</u>

A dividend of 0.06647p per share was proposed and approved on 16 September 2019 and paid to the ordinary share holder on 18 September 2019.

### Redemption provisions

Class A and A2 Ordinary shares are redeemable at the option of the Company at any stage.

### Voting rights

The Class A and A2 Ordinary Shares shall entitle their holders to receive notice of, attend and vote at general meetings of the Company.

### Winding up

On winding up, the assets and profits of the Company will be distributed to the Class A and A2 Ordinary shareholders (pari passu).

# Permira Debt Managers Holdings Limited

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## Notes to the Financial Statements (continued)

### 16. Reconciliation of profit for the year to net cash flow from operating activities

	2019 £000	2018 £000
Profit for the year	4,961	2,608
Depreciation	125	124
Amortisation	643	-
Increase in accounts receivables	(3,957)	(2,917)
Increase in trade payables	5,228	3,634
<b>Net cash inflow from operating activities</b>	<b>7,000</b>	<b>3,449</b>

### 17. Ultimate parent undertaking

Permira Debt Managers Group Holdings Limited, a company registered and regulated in Guernsey, owns 100% (2018: 100%) of the ordinary share capital of the Company and is therefore the immediate parent undertaking. Permira Debt Managers Group Holdings Limited is the parent undertaking of the smallest group of undertakings to prepare consolidated financial statements in which the Company is included.

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

The principal place of business of Permira Holdings Limited is:

Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 6DJ

### 18. Related Parties

In accordance with the Investment advisory agreements of each of Sigma IV G.P. Limited and Permira Debt Managers Group Holdings Limited the Group derived £2,651k (2018: £1,478k) of turnover in the year from these entities. These are related parties as they are under the common control of Permira Holdings Limited. As at 31 December 2019 the amount outstanding was £2,036k (2018: £728k). The Group also derived £25,714k (2018: £15,802k) of turnover from Sigma IV G.P. L.P, Sigma V G.P. L.P, Permira Credit Solutions II Master G.P. L.P, Permira Credit Solutions Senior II G.P. L.P, Permira Credit Solutions Master III G.P.L.P, Permira Credit Solutions Senior III G.P.L.P, Permira Credit Solutions IV Master G.P.L.P, Permira Credit Solutions IV Senior G.P.L.P, PCS Managed account GP LP and PCS Managed account Q LP in accordance with the Investment advisory agreements of each fund. As at 31 December 2019 the amount outstanding was £8,906k (2018: £5,353k).

The principal activity of the Group is the provision of investment management services to Permira Debts funds. In its capacity as manager and/or adviser, the Company has transactions with these funds, all of which are in the normal course of business and have been fully disclosed above.

## Notes to the Financial Statements (continued)

### **19. Post balance sheet event**

Since the reporting date, the outbreak of the coronavirus disease (Covid-19) has had a significant impact globally. The full effects of the virus are still not known and it is not practicable to quantify the extent of the impact on the turnover at this time. The Group is continuing to monitor the impact on its employees and operations, however the Directors have reasonable expectation that the Group has adequate resources to continue operational existence and do not anticipate an impact on going concern. Given that the emergence and spread of Covid-19 occurred during 2020, this is considered to be a non-adjusting post balance sheet event and so the measurement of assets and liabilities in the financial statements have not been adjusted for its potential impact.

### **20. Financial statements**

Publicly available Financial Statements for Permira Debt Managers Holdings Limited are available at the following address:

80 Pall Mall  
London  
SW1Y 5ES