

REGISTRAR OF COMPANIES

EAK Management Limited

Director's report and financial statements

For the year ended 31 December 2015

Registered number: 08500785



Company Information

Director	T Barnds
Registered number	08500785
Registered office	C/O Buzzacott LLP 130 Wood Street London EC2V 6DL
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Silicon Valley Bank 18 Finsbury Square London EC2A 1BR

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Director's report

For the year ended 31 December 2015

The director presents his report and the consolidated financial statements of EAK Management Limited group ('the group'), consisting of EAK Management Limited ('the company') and EAK Management UK, LLP ('the LLP' or 'the subsidiary') for the year ended 31 December 2015.

Principal activity

The principal activity of the group is the provision of investment advisory services.

The principal activity of the company is to act as a corporate member of EAK Management UK, LLP.

Results

The loss for the year, after taxation and minority interests, amounted to £3,565 (2014 - profit £11,201).

Director

The director who served during the year was:

T Barnds

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Director's report

For the year ended 31 December 2015

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- he 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.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the sole director on 3 August 2016



T Barnds
Director

Independent auditor's report to the members of EAK Management Limited

For the year ended 31 December 2015

We have audited the financial statements of EAK Management Limited for the year ended 31 December 2015, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the 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'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's profit/ (loss) 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of EAK Management Limited

For the year ended 31 December 2015

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



Peter Chapman (Senior statutory auditor)
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

3 August 2016

Consolidated statement of income and retained earnings

For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	260,000	244,930
Administrative expenses		(73,997)	(63,784)
Operating profit	4	186,003	181,146
Tax on profit	7	(38)	(4,618)
Profit after tax		185,965	176,528
Retained earnings at the beginning of the year		16,562	5,361
(Loss)/profit for the year attributable to the owners of the parent		(3,565)	11,201
Retained earnings at the end of the year		12,997	16,562
Non-controlling interest at the beginning and end of the year		56,600	56,600

All amounts relate to continuing operations.

There was no other comprehensive income for 2015 or 2014.

The notes on pages 9 to 17 form part of these financial statements.

Consolidated statement of financial position
As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	746	1,039
Current assets			
Debtors: amounts falling due within one year	11	17,029	8,116
Cash at bank and in hand		150,139	148,427
		<u>167,168</u>	<u>156,543</u>
Creditors: amounts falling due within one year	12	(46,317)	(32,420)
Net current assets		<u>120,851</u>	<u>124,123</u>
Net assets		<u>121,597</u>	<u>125,162</u>
Capital and reserves			
Called up share capital	14	52,000	52,000
Profit and loss account	15	12,997	16,562
Equity attributable to owners of the parent company		<u>64,997</u>	<u>68,562</u>
Non-controlling interests		<u>56,600</u>	<u>56,600</u>
		<u>121,597</u>	<u>125,162</u>

The financial statements were approved and authorised for issue on 3 August 2016.



T Barnds
Director

The notes on pages 9 to 17 form part of these financial statements.

Company statement of financial position
As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	10	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
Current assets			
Debtors: amounts falling due within one year	11	22,687	19,766
Cash at bank and in hand		3,025	10,015
		<u>25,712</u>	<u>29,781</u>
Creditors: amounts falling due within one year	12	(10,715)	(11,219)
Net current assets		<u>14,997</u>	<u>18,562</u>
Total assets less current liabilities		<u>64,997</u>	<u>68,562</u>
Net assets excluding pension asset		<u>64,997</u>	<u>68,562</u>
Net assets		<u>64,997</u>	<u>68,562</u>
Capital and reserves			
Called up share capital	14	52,000	52,000
Profit and loss account	15	12,997	16,562
		<u>64,997</u>	<u>68,562</u>

The financial statements were approved and authorised for issue on 3 August 2016.

T Barnds
Director

TC Barnds

Consolidated statement of cash flows

For the year ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	185,965	176,528
Adjustments for:		
Depreciation of tangible assets	293	188
Taxation expense	38	-
Increase in debtors	(8,442)	61,074
Increase in creditors	18,432	(19,336)
Corporation tax paid	(4,573)	4,618
Operating transactions with members of the LLP	(189,530)	(108,041)
Net cash generated from operating activities	<u>2,183</u>	<u>115,031</u>
Cash flows from financing activities		
Repayment of/new finance leases	-	(899)
Net cash used in financing activities	<u>-</u>	<u>(899)</u>
Net increase / (decrease) in cash and cash equivalents	2,183	114,132
Cash and cash equivalents at beginning of year	148,427	33,824
Cash and cash equivalents at the end of year	<u><u>150,610</u></u>	<u><u>147,956</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>150,139</u></u>	<u><u>148,427</u></u>

The notes on pages 9 to 17 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary ('the group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

1.3 Turnover

Turnover is accrued daily and represents income derived from the subsidiary's principal activity of the provision of investment advisory services to AKKR Fund II Management Company LP in accordance with the Investment Advisory Agreement.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services:

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

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 profit or loss 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.

The estimated useful lives range as follows:

Office equipment	- 3 years
Furniture - office chair	- 5 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 within 'other operating income' in the Consolidated statement of income and retained earnings.

1.5 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Debtors

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

1.8 Cash and cash equivalents

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

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

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

1.9 Financial instruments

The group only enters into transactions that result in the recognition of basic financial assets and liabilities like trade and other debtors, creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in subsidiary undertakings are measured at cost less impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of income and retained earnings.

1.10 Creditors

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

1.11 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 income and retained earnings, except when deferred in other comprehensive income as qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the Income statement within 'administrative expenses'.

1.12 Taxation

Tax is recognised in the Consolidated statement of income and retained earnings, except that a change 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.

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

1.13 Compensation of members of the LLP

Allocations of profit by the LLP to non-controlling interests of the group (treated as an expense in the LLP) are treated as a distribution of profit to non-controlling in the consolidated financial statements.

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

The director does not believe that there are any significant judgements in applying accounting policies or key sources of estimation uncertainty.

3. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the group and arises solely within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	293	188

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the group's auditor for the audit of the group's annual accounts	2,500	3,588
Fees payable to the group's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	6,500	3,950
Audit related assurance services	1,000	-
Taxation compliance services	2,500	2,400
Other services relating to taxation	819	-
All other non audit services not included above	7,605	-

6. Staff costs and average number of employees

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

Notes to the financial statements

For the year ended 31 December 2015

7. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	<u>38</u>	<u>4,618</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>186,003</u>	<u>181,146</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 20%)	37,666	36,329
Effects of:		
Adjustments to tax charge in respect of prior periods	(44)	-
Tax attributable to the minority profit share	(37,584)	(33,065)
Other differences	-	1,354
Total tax charge for the year	<u>38</u>	<u>4,618</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Parent company result for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The loss after tax of the parent company for the year was £3,565 (2014 - profit £11,201).

Notes to the financial statements

For the year ended 31 December 2015

9. Tangible fixed assets

Group

	Office equipment £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2015	337	899	1,236
At 31 December 2015	337	899	1,236
Depreciation			
At 1 January 2015	122	75	197
Charge for the year	113	180	293
At 31 December 2015	235	255	490
Net book value			
At 31 December 2015	102	644	746
At 31 December 2014	215	824	1,039

Notes to the financial statements

For the year ended 31 December 2015

10. Fixed asset investments

Subsidiary undertakings

The following is the subsidiary undertaking of the company:

Name	Country of incorporation	Class of shares Holding	Principal activity
EAK Management UK, LLP	United Kingdom	Capital interest	97 % Provision of investment advisory services

The percentage holding represents the percentage of voting rights held by the company.

Company

	Investment in subsidiary undertaking £
Cost or valuation	
At 1 January 2015	50,000
At 31 December 2015	50,000
Net book value	
At 31 December 2015	50,000
At 31 December 2014	50,000

11. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts owed by group undertakings	16,414	6,635	22,687	19,766
Other debtors	615	471	-	-
Prepayments and accrued income	-	1,010	-	-
	<u>17,029</u>	<u>8,116</u>	<u>22,687</u>	<u>19,766</u>

Notes to the financial statements

For the year ended 31 December 2015

12. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	4,972	9,112	-	-
Amounts owed to group undertakings	14,230	3,050	3,132	3,050
Corporation tax	83	4,618	83	4,618
Other creditors	5,150	3,039	1,500	-
Accruals and deferred income	21,882	12,601	6,000	3,551
	46,317	32,420	10,715	11,219

13. Financial instruments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets				
Financial assets measured at fair value through profit or loss	150,139	148,427	3,025	10,015
Financial assets that are debt instruments measured at amortised cost	17,029	7,106	22,687	19,766
	167,168	155,533	25,712	29,781
Financial liabilities				
Financial liabilities measured at amortised cost	(46,234)	(27,802)	(10,632)	(6,601)
	(46,234)	(27,802)	(10,632)	(6,601)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

14. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
52,000 Ordinary shares of £1 each	52,000	52,000

15. Reserves

Profit and loss account

The profit and loss account includes all current year and prior period retained profit and losses.

Notes to the financial statements

For the year ended 31 December 2015

16. Related party transactions

During the year, EAK Management UK, LLP distributed profits of £3,229 (2014 - £19,458) to the company.

At 31 December 2015, the balance due to the LLP was £3,132 (2014 - £nil) related to expenses paid on behalf of the company. There is also an amount of £22,687 (2014 - £19,766) due from the LLP relating to profit share allocations.

EAK Management UK, LLP is a related party by virtue of the company being a designated member of the LLP.

During the year, the group charged advisory fees of £260,000 (2014 - £240,000) to AKKR Fund II Management Company LP.

AKKR Fund II Management Company LP is a related party by virtue of being under common control.

During the year, expenses were paid on behalf of other related parties totalling £17,620 (2014 - £3,794).

At 31 December 2015, the balance due to the group from other related parties was £16,414 (2014 - £6,635).

Other related parties are considered as such by virtue of being under common control.

During the year, key management personnel compensation totalled £189,530 (2014 - £165,327).

17. Parent undertaking and controlling party

The immediate and ultimate parent undertaking of the group is AKKR Management Company LLC, a limited liability company incorporated in the United States of America.

The largest group of undertakings, for which group accounts are prepared, which include the company is that headed by AKKR Management Company LLC.

18. Company Information

EAK Management Limited is a private company limited by shares and was incorporated in the United Kingdom. Its company registration number is 08500785. The registered office of the company is 130 Wood Street, London, EC2V 6DL.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.