

REGISTRAR OF COMPANIES

EAK Management Limited

**Director's report and financial
statements**

For the year ended 31 December 2016

Registered number: 08500785

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EAK Management Limited

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 2016

The director presents his report and the financial statements of the 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 2016.

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 profit for the year, after taxation and minority interests, amounted to £16,153 (2015 - loss £3,565).

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 consolidated 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 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 director must not approve the consolidated 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'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 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 (continued)

For the year ended 31 December 2016

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

In preparing this report, the director has taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the sole director on 17 July 2017.



T Barnds
Director

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

For the year ended 31 December 2016.

We have audited the financial statements of EAK Management Limited for the year ended 31 December 2016, set out on pages 5 to 19. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 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 on page 1, 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 2016 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 and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

Independent auditor's report to the members of EAK Management Limited (continued)
For the year ended 31 December 2016

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)
for and on behalf of
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

17 July 2017

Consolidated statement of income and retained earnings

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	465,000	260,000
Administrative expenses		(121,934)	(73,997)
Operating profit	5	343,066	186,003
Tax on profit/(loss)	8	(13,602)	(38)
Profit after tax		329,464	185,965
Retained earnings at the beginning of the year		12,997	16,562
Profit/(loss) for the year attributable to the owners of the parent		16,153	(3,565)
Retained earnings at the end of the year		29,150	12,997
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 2016 or 2015.

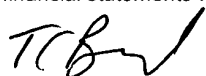
The notes on pages 9 to 19 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	465	746
Current assets			
Debtors: amounts falling due within one year	12	72,229	17,029
Cash at bank and in hand	13	112,587	150,139
		<u>184,816</u>	<u>167,168</u>
Creditors: amounts falling due within one year	14	(47,531)	(46,317)
Net current assets		<u>137,285</u>	<u>120,851</u>
Net assets		<u>137,750</u>	<u>121,597</u>
Capital and reserves			
Called up share capital	16	52,000	52,000
Profit and loss account	17	29,150	12,997
Equity attributable to owners of the parent company		<u>81,150</u>	<u>64,997</u>
Non-controlling interests		<u>56,600</u>	<u>56,600</u>
		<u>137,750</u>	<u>121,597</u>

The financial statements were approved and authorised for issue and were signed by the sole director on 17 July 2017.



T Barnds
Director

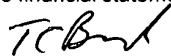
The notes on pages 9 to 19 form part of these financial statements.

Company statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	11	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
Current assets			
Debtors: amounts falling due within one year	12	38,827	22,687
Cash at bank and in hand	13	13,475	3,025
		<u>52,302</u>	<u>25,712</u>
Creditors: amounts falling due within one year	14	(21,152)	(10,715)
Net current assets		<u>31,150</u>	<u>14,997</u>
Total assets less current liabilities		<u>81,150</u>	<u>64,997</u>
Net assets excluding pension asset		<u>81,150</u>	<u>64,997</u>
Net assets		<u>81,150</u>	<u>64,997</u>
Capital and reserves			
Called up share capital	16	52,000	52,000
Profit and loss account	17	29,150	12,997
		<u>81,150</u>	<u>64,997</u>

The financial statements were approved and authorised for issue and were signed by the sole director on 17 July 2017.


T Barnds
Director

The notes on pages 9 to 19 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	329,464	185,965
Adjustments for:		
Depreciation of tangible assets	281	293
Increase in debtors	(55,200)	(8,442)
Increase in creditors	1,214	13,897
Operating transactions with members of the LLP	(313,311)	(190,001)
Net cash generated from operating activities	(37,552)	1,712
Net increase / (decrease) in cash	(37,552)	1,712
Cash at beginning of year	150,139	148,427
Cash at the end of year	112,587	150,139
Cash at the end of year comprise:		
Cash at bank and in hand	112,587	150,139

The notes on pages 9 to 19 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. General information

EAK Management Limited is a private limited company that was incorporated in the United Kingdom. The address of the company's principal place of business is 33 St. James's Square, London, SW1Y 4JS.

2. Accounting policies

2.1 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.

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 3).

The following principal accounting policies have been applied:

2.2 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 these entities are therefore eliminated in full.

2.3 Turnover

Turnover is accrued daily and represents income derived from the group'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 2016

2. Accounting policies (continued)

2.4 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.

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.

2.5 Operating leases

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.8 Financial instruments

The group only enters into transactions that result in the recognition of basic financial instruments 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.

2.9 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.

2.10 Foreign currency translation

Functional and presentation currency

The group's presentational currency is GBP and the company's functional 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 consolidated statement of income and retained earnings within 'administrative expenses'.

2.11 Taxation

Tax is recognised in the Consolidated statement of income and retained earnings, 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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.12 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 interest in the consolidated financial statements.

3. 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.

4. Turnover

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

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	281	293

Notes to the financial statements

For the year ended 31 December 2016

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the group's auditor for the audit of the group's annual accounts	2,500	2,500
Fees payable to the group's auditor and its associates in respect of:		
The auditing of accounts of associates of the group pursuant to legislation	6,500	6,500
Audit related assurance services	1,000	1,000
Taxation compliance services	3,000	2,500
Other services relating to taxation	-	819
All other non audit services not included above	4,260	7,605
	<u>4,260</u>	<u>7,605</u>

7. Staff costs and average number of employees

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	13,602	38
	<u>13,602</u>	<u>38</u>
Total current tax	<u>13,602</u>	<u>38</u>

Notes to the financial statements

For the year ended 31 December 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	343,066	186,003
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	68,613	37,666
Effects of:		
Expenses not deductible for tax purposes	8,396	-
Adjustments to tax charge in respect of prior periods	44	(44)
Tax attributable to the minority profit share	(63,507)	(37,584)
Deferred tax not recognised	56	-
Total tax charge for the year	13,602	38

Factors that may affect future tax charges

During the accounting period, the UK corporation tax rate remained at 20%. The UK government has introduced legislation to reduce the corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

9. 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 profit after tax of the parent company for the year was £16,153 (2015 - loss £3,565).

Notes to the financial statements

For the year ended 31 December 2016

10. Tangible fixed assets

Group

	Office equipment £	Furniture £	Total £
Cost or valuation			
At 1 January 2016	337	899	1,236
At 31 December 2016	337	899	1,236
Depreciation			
At 1 January 2016	235	255	490
Charge for the year	102	179	281
At 31 December 2016	337	434	771
Net book value			
At 31 December 2016	-	465	465
At 31 December 2015	102	644	746

Notes to the financial statements

For the year ended 31 December 2016

11. Fixed asset investments

Company

	Investment in subsidiary £
Cost or valuation	
At 1 January 2016	<u>50,000</u>
At 31 December 2016	<u>50,000</u>
Net book value	
At 31 December 2016	<u>50,000</u>
At 31 December 2015	<u>50,000</u>

The company owns 97% of the partnership capital of EAK Management UK, LLP, which represents 97% of the voting rights. The LLP provides investment advisory services. The address of the LLP's registered office is 130 Wood Street, London, EC2V 6DL.

Notes to the financial statements

For the year ended 31 December 2016

12. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts owed by group undertakings	71,645	16,414	38,677	22,687
Other debtors	584	615	150	-
	<u>72,229</u>	<u>17,029</u>	<u>38,827</u>	<u>22,687</u>

13. Cash

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	112,587	150,139	13,475	3,025
	<u>112,587</u>	<u>150,139</u>	<u>13,475</u>	<u>3,025</u>

14. Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	2,441	4,972	-	-
Amounts owed to group undertakings	-	14,230	-	3,132
Corporation tax	13,602	83	13,602	83
Other creditors	9,340	5,150	1,500	1,500
Accruals and deferred income	22,148	21,882	6,050	6,000
	<u>47,531</u>	<u>46,317</u>	<u>21,152</u>	<u>10,715</u>

Notes to the financial statements

For the year ended 31 December 2016

15. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at fair value through profit or loss	112,587	150,139	13,475	3,025
Financial assets that are debt instruments measured at amortised cost	71,647	16,414	38,678	22,687
	<u>184,234</u>	<u>166,553</u>	<u>52,153</u>	<u>25,712</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(33,929)	(46,234)	(7,550)	(10,632)
	<u>(33,929)</u>	<u>(46,234)</u>	<u>(7,550)</u>	<u>(10,632)</u>

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

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings and other debtors, excluding VAT receivable.

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

16. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
52,000 Ordinary shares of £1 each	<u>52,000</u>	<u>52,000</u>

17. 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 2016

18. Related party transactions

During the year, EAK Management UK, LLP distributed profits of £37,208 (2015 - £3,229) to the company.

At 31 December 2016, the balance due to the LLP was £nil (2015 - £3,132) relating to expenses paid on behalf of the company. An amount of £37,208 (2015 - £22,687) was also 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 £465,000 (2015 - £260,000) 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 £14,425 (2015 - £17,620).

At 31 December 2016, the balance due to the group from other related parties was £71,647 (2015 - £16,414).

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

During the year, key management personnel compensation totalled £313,311 (2015 - £189,530).

19. 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 and smallest group of undertakings, for which group accounts are prepared, which include the company is that headed by AKKR Management Company LLC. The registered office address of AKKR Management Company LLC is Corporation Trust Center, 1209 Orange St, Wilmington, DE 19801.