

EAK Management Limited

Director's report and financial statements

For the year ended 31 December 2019

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 2019

The director presents his report together with the consolidated 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 2019.

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 £94,374 (2018 - £28,451).

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 judgements 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 to 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 2019

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 18 December 2020 and signed on its behalf.



T Barnds
Director

Independent Auditor's Report to the Members of EAK Management Limited

For the year ended 31 December 2019

Opinion

We have audited the financial statements of EAK Management Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2019, which comprise the Consolidated statement of income and retained earnings, the Consolidated and Company statements of financial position, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit or 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Buzzacott

Independent Auditor's Report to the Members of EAK Management Limited (continued)

For the year ended 31 December 2019

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

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, and for such internal control as the director determines 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 director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Buzzacott

Independent Auditor's Report to the Members of EAK Management Limited (continued)

For the year ended 31 December 2019

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.



Peter Chapman (Senior statutory auditor)
for and on behalf of

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

18 December 2020

Consolidated statement of income and retained earnings

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	1,205,000	890,000
Gross profit		1,205,000	890,000
Administrative expenses		(395,947)	(463,993)
Operating profit	5	809,053	426,007
Tax on profit	9	(24,538)	(8,809)
Profit after tax		784,515	417,198
Retained earnings at the beginning of the year		91,898	63,447
		91,898	63,447
Profit for the year attributable to the owners of the parent		94,374	28,451
Retained earnings at the end of the year		186,272	91,898
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 2019 or 2018.

The notes on pages 10 to 21 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	15,711	21,298
		<u>15,711</u>	<u>21,298</u>
Current assets			
Debtors	13	45,790	266,130
Cash at bank and in hand	14	390,137	17,421
		<u>435,927</u>	<u>283,551</u>
Creditors: amounts falling due within one year	15	(156,766)	(104,351)
Net current assets		<u>279,161</u>	<u>179,200</u>
Total assets less current liabilities		<u>294,872</u>	<u>200,498</u>
Provisions for liabilities			
Net assets excluding pension asset		<u>294,872</u>	<u>200,498</u>
Net assets		<u>294,872</u>	<u>200,498</u>
Capital and reserves			
Called up share capital	17	52,000	52,000
Profit and loss account	18	186,272	91,898
Equity attributable to owners of the parent company		<u>238,272</u>	<u>143,898</u>
Non-controlling interests		56,600	56,600
		<u>294,872</u>	<u>200,498</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by the sole director on 18 December 2020.



T Barnds
Director

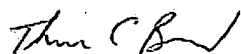
The notes on pages 10 to 21 form part of these financial statements.

Company statement of financial position

As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	11	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
Current assets			
Debtors	13	129,305	92,835
Cash at bank and in hand	14	94,560	17,421
		<u>223,865</u>	<u>110,256</u>
Creditors: amounts falling due within one year	15	(35,593)	(16,358)
Net current assets		<u>188,272</u>	<u>93,898</u>
Total assets less current liabilities		<u>238,272</u>	<u>143,898</u>
Net assets excluding pension asset		<u>238,272</u>	<u>143,898</u>
Net assets		<u>238,272</u>	<u>143,898</u>
Capital and reserves			
Called up share capital	17	52,000	52,000
Profit and loss account	18	186,272	91,898
		<u>238,272</u>	<u>143,898</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by the sole director on 18 December 2020.



T Barnds
Director

The notes on pages 10 to 21 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	784,515	417,198
Adjustments for:		
Depreciation of tangible assets	8,440	2,901
Taxation charge	24,538	8,809
Decrease/(increase) in debtors	220,342	(161,625)
Increase/(decrease) in creditors	48,024	(21,611)
Operating transactions with members of the LLP	(689,734)	(388,746)
Corporation tax paid	(3,362)	(317)
Net cash generated from operating activities	392,763	(143,391)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,856)	(21,939)
Net cash from investing activities	(2,856)	(21,939)
Net increase/(decrease) in cash and cash equivalents	389,907	(165,330)
Cash and cash equivalents at beginning of year	230	165,560
Cash and cash equivalents at the end of year	390,137	230
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	390,137	17,421
Bank overdrafts	-	(17,191)
	390,137	230

The notes on pages 10 to 21 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

1. General information

EAK Management Limited is a private company limited by shares that was incorporated in England and Wales. The address of the company's registered office is C/O Buzzacott LLP, 130 Wood Street, London, EC2V 6DL and its principal place of business is 25 Green Street, London, W1K 7AX.

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 as if they formed a single entity. Intercompany transactions and balances between these entities are therefore eliminated in full.

2.3 Impact of COVID-19

The director has considered the impact of the current COVID-19 pandemic on the group's operations, with a particular focus on its effect on its customer, suppliers, employees and members of the subsidiary.

The director does not consider this to be cause for material uncertainty in respect of the company's and group's ability to continue as going concerns. The group has adapted well, successfully employing contingency plans, and the director considers that the company and group have sufficient financial resources to continue for the foreseeable future, despite the current crisis.

Notes to the Financial Statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.4 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 turnover 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.

2.5 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
Computer equipment	-	3 years
Furniture	-	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.

2.6 Operating leases

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

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the Financial Statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.8 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.

2.9 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.10 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.

2.11 Foreign currency translation

Functional and presentation currency

The group's and 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings.

2.12 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 creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration,

Notes to the Financial Statements

For the year ended 31 December 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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.

2.13 Pensions

Defined contribution pension plan

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

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

2.14 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.

2.15 Compensation of members of the LLP

Members' remuneration charged as an expense of the LLP is charged to the Consolidated statement of income and retained earnings as administrative expenses. Allocations of profit are presented as minority interest in the Consolidated statement of income and retained earnings.

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.

Notes to the Financial Statements

For the year ended 31 December 2019

4. Turnover

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

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	85,962	74,710

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual accounts	7,000	7,000

Fees payable to the group's auditor and its associates in respect of:

Audit related assurance services	2,000	1,000
Taxation compliance services	2,500	2,500
All other non audit services	16,475	15,855

7. Staff costs and average number of employees

Staff costs, excluding director's remuneration and remuneration of human members of the LLP, during the year were as follows:

	2019 £	2018 £
Wages and salaries	178,278	236,648
Social security costs	22,621	3,269
	200,899	239,917

The average monthly number of employees, excluding the director and human members of the LLP, during the year was as follows:

	2019 No.	2018 No.
Investment associate	2	1

Notes to the Financial Statements

For the year ended 31 December 2019

8. Director's remuneration

During the year, the director did not receive any remuneration (2018 - £nil).

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	24,538	8,809
	<u>24,538</u>	<u>8,809</u>
Total current tax	<u>24,538</u>	<u>8,809</u>

Factors affecting tax charge for the year

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

	2019 £	2018 £
Profit on ordinary activities before tax	<u>809,053</u>	<u>426,006</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	153,720	80,941
Effects of:		
Expenses not deductible for tax purposes	1,254	1,087
Tax attributable to the minority profit share	(131,343)	(72,947)
Deferred tax not recognised	907	(272)
Total tax charge for the year	<u>24,538</u>	<u>8,809</u>

Factors that may affect future tax charges

The government has enacted legislation to keep the corporation tax rate at 19% until 31 March 2021. The government has also proposed legislation that will maintain the corporation tax rate at 19% from 1 April 2021 onwards.

Notes to the Financial Statements

For the year ended 31 December 2019

10. 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 £94,374 (2018 - £28,451).

Notes to the Financial Statements

For the year ended 31 December 2019

11. Fixed asset investments

Company

	Investment in subsidiary £
Cost or valuation	
At 1 January 2019	50,000
At 31 December 2019	<u>50,000</u>
Net book value	
At 31 December 2019	<u>50,000</u>
At 31 December 2018	<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.

Subsidiary undertaking

At 31 December 2019, the following was the subsidiary of the company:

Name	Class of shares	Holding
EAK Management UK, LLP	UK	97%

Notes to the Financial Statements

For the year ended 31 December 2019

12. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Furniture £	Total £
Cost or valuation				
At 1 January 2019	8,879	11,648	4,941	25,468
Additions	1,901	954	-	2,855
At 31 December 2019	10,780	12,602	4,941	28,323
Depreciation				
At 1 January 2019	1,056	2,017	1,097	4,170
Charge for the year	3,525	4,003	914	8,442
At 31 December 2019	4,581	6,020	2,011	12,612
Net book value				
At 31 December 2019	6,199	6,582	2,930	15,711
At 31 December 2018	7,823	9,631	3,844	21,298

13. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts owed by group undertakings	20,797	236,221	129,105	92,835
Other debtors	5,865	16,711	200	-
Prepayments and accrued income	19,128	13,198	-	-
	45,790	266,130	129,305	92,835

Notes to the Financial Statements

For the year ended 31 December 2019

14. Cash and cash equivalents

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Cash at bank and in hand	390,137	17,421	94,560	17,421
Less: bank overdrafts	-	(17,191)	-	-
	390,137	230	94,560	17,421

15. Creditors: amounts falling due within one year

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Bank overdrafts	-	17,191	-	-
Trade creditors	4,456	4,545	-	-
Amounts owed to group undertakings	67,514	32,926	-	-
Corporation tax	27,493	8,808	27,493	8,808
Other creditors	34,528	19,656	1,500	1,500
Accruals and deferred income	22,775	21,225	6,600	6,050
	156,766	104,351	35,593	16,358

Notes to the Financial Statements

For the year ended 31 December 2019

16. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	390,137	17,421	94,560	17,421
Financial assets that are debt instruments measured at amortised cost	26,587	252,932	129,105	92,835
	<u>416,724</u>	<u>270,353</u>	<u>223,665</u>	<u>110,256</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(129,273)	(95,543)	(8,100)	(7,550)

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.

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
52,000 (2018 - 52,000) Ordinary shares of £1.00 each	<u>52,000</u>	<u>52,000</u>

18. Reserves

Profit and loss account

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

19. Contingent liabilities

There were no contingent liabilities at 31 December 2019 or 31 December 2018.

20. Capital commitments

The group had no capital commitments at 31 December 2019 or 31 December 2018.

Notes to the Financial Statements

For the year ended 31 December 2019

21. Commitments under operating leases

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

	Group 2019 £	Group 2018 £
Not later than 1 year	22,326	22,400
	<u>22,326</u>	<u>22,400</u>

The company had no future commitments under operating leases at 31 December 2019 (2018 - £nil).

22. Related party transactions

During the year, EAK Management UK, LLP distributed profits of £128,835 (2018 - £43,328) to the company.

At 31 December 2019, the balance due from EAK Management UK, LLP was £128,835 (2018 - £43,328) 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, advisory fees of £1,205,000 (2018 - £890,000) were charged to AKKR Fund II Management Company, LP, and AKKR Fund II Management Company, LP charged the group £67,244 (2018 - £32,926) in respect of expenses. The group settled certain operating expenses amounting to £114 (2018 - £68) on behalf of AKKR Fund Management Company, LP.

At 31 December 2019, £Nil (2018 - £230,000) was due from AKKR Fund II Management LP in respect of advisory fees, and a net amount of £67,130 (2018 - £32,926) was due to AKKR Fund II Management Company, LP in respect of reimbursed expenses.

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

Other related parties

During the year, expenses were paid on behalf of other related parties totalling £13,168 (2018 - £11,343).

At 31 December 2019, the balance due to the group from other related parties was £19,220 (2018 - £6,051).

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

During the year, key management personnel compensation totalled £690,142 (2018 - £388,747).

23. Parent undertaking and controlling party

The immediate and ultimate parent undertaking of the company 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 Centre, 1209 Orange St, Wilmington, DE 19801.