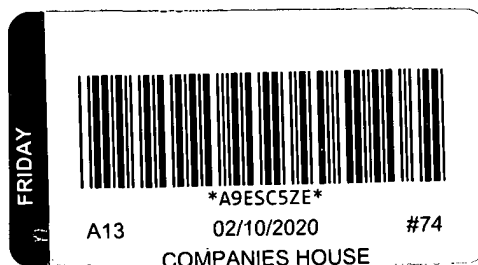


APAX PARTNERS LLP
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



APAX PARTNERS LLP

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APAX PARTNERS LLP

INFORMATION

Designated members A P Sillitoe
 M L Truwit

LLP registered number OC303117

Registered office 33 Jermyn Street
 London
 SW1Y 6DN

Independent auditor KPMG LLP
 15 Canada Square
 London
 E14 5GL

APAX PARTNERS LLP**MEMBERS' REPORT INCORPORATING THE ENERGY AND CARBON REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The members present their annual report together with the audited financial statements of Apax Partners LLP (the group and the LLP) for the year ended 31 March 2020.

Principal activities

Apax Partners LLP is authorised and regulated by the Financial Conduct Authority ("FCA"), and provides investment advisory services.

Designated Members

A P Sillitoe and M L Truwit were designated members of the group and the LLP throughout the year.

Group energy and carbon report

As a large limited liability partnership, the LLP is required to report its UK energy use and carbon emissions in accordance with the requirements of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Using the main requirements of the Greenhouse Gas ("GHG") Protocol Corporate Standard along with the UK Government GHG Conversion Factors for Company Reporting 2019, the LLP's UK greenhouse gas emissions and energy consumption are as follows:

	2020
Emissions from combustion of gas in tCO ₂ e (Scope 1)	17.02
Emissions from purchased electricity in tCO ₂ e (Scope 2, location-based)	243.34
Total energy consumption used to calculate emissions in kWh	<u>1,044,622</u>

Due to the material nature to the overall footprint, fugitive emissions from use of refrigerants in cooling systems are also being disclosed (2020 - tCO₂e 37.60) in addition to those emissions from the combustion of gas and purchase of electricity shown above and are included within the intensity ratio outlined below. The LLP does not purchase or reimburse fuel for transport in company or employee-owned vehicles.

Any estimates included in the totals are derived from actual data in the same reporting period which have been extrapolated to cover missing periods. As this is the first year of reporting under these regulations, no comparison data has been reported.

Energy efficiency actions

In the period covered by the report, Apax Partners have implemented a policy of the replacement of fluorescent bulbs in its offices with LED lighting. LEDs are around 75% more efficient than fluorescent bulbs, resulting in lower electricity consumption and related emissions in Apax Partners' offices. The members are also considering the recommendations from the ESOS compliance audits in 2019 for implementation in the coming year.

All of the purchased electricity is supported by OFGEM (The Office of Gas and Electricity Markets, a government regulator in Great Britain) contractual instrument guarantees of origin (REGOs), allowing the LLP to report emissions from this energy use as zero under the GHG Protocol market-based method.

Intensity ratio

The intensity ratio applied is total CO₂e / (average UK employees + members) and for the year-ended 31 March 2020 this was 2.21.

APAX PARTNERS LLP

MEMBERS' REPORT INCORPORATING THE ENERGY AND CARBON REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Results

The results for the year are set out on page 7. The members regard the results for the year to be satisfactory, broadly in line with the members' expectation and look to the future with confidence.

Policy regarding members' drawings and capital

The allocation and approval of profits or losses to those who were members during the financial year occurs on a periodic basis throughout the accounting period as defined in the LLP Deed, subject to there being sufficient net profits available to members and cash in the LLP.

Members are entitled to an annual fixed profit share and further profit share of the net profits of the LLP at a level determined by the Executive Committee and in accordance with the terms of the Partnership Deed. Details of members' interests are outlined in note 23 on page 36.

Capital is contributed by the members on admission to the LLP, and is only re-allocated or repaid at the discretion of the executive committee and in compliance with the regulatory capital requirements of the FCA rules. Where there is an obligation to repay the members capital this is treated as debt.

Events after the reporting period

The members have considered the financial and operational impact of the COVID-19 crisis on the LLP and wider group. As the crisis emerged, the Apax group implemented business continuity plans to ensure operational activity continued with minimal disruption. The LLP has predictable contractual revenue and significant cash resources (as at 31st March 2020 group cash: £25.3m of which held by the LLP: £15.7m) and therefore the members do not anticipate a material adverse impact on the ability of the LLP to continue in operational existence for at least the next twelve months. The members' assessment of going concern is outlined in note 2.

There have been no other significant events affecting the company.

Statement of members' responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the group and LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare both the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 group and the LLP and of the profit or loss of the group for that period.

APAX PARTNERS LLP

**MEMBERS' REPORT INCORPORATING THE ENERGY AND CARBON REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

In preparing each of the group and LLP financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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
- assess the group and the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the LLP or to cease operations or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor


Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information which has not been made available to the group's auditor; and
- each member has taken necessary steps that they considered appropriate for the purposes of informing themselves of any relevant audit information and to allow that the group's auditor is aware of that information.

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members and signed on their behalf by:

DocuSigned by:

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A P Sillitoe
Designated member

Date: 23-Jul-2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APAX PARTNERS LLP

Opinion

We have audited the group and LLP financial statements of Apax Partners LLP ("the company") for the year ended 31 March 2020 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and LLP Statements of Financial Position, the Group Statement of Cash Flows, the Group and LLP Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the LLP as at 31 March 2020 and of the profit of the group for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the LLP or to cease their operations, and as they have concluded that the group and the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the LLP will continue in operation.

Other information

The members are responsible for the other information, which comprises the members' report and the energy and carbon report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APAX PARTNERS LLP

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's individual financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and the LLP'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 they either intend to liquidate the group or the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 24th July 2020

APAX PARTNERS LLP**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £000	2019 £000
Turnover	4	198,419	163,652
Administrative expenses		(114,501)	(90,199)
Other operating income	5	50,400	19,504
Operating profit	6	134,318	92,957
Profit on disposal of tangible fixed assets		-	1
Interest receivable and similar income	9	738	3,144
Interest payable and similar charges	10	(1,434)	(68)
Profit before tax		133,622	96,034
Tax on profit	11	(3,460)	(3,427)
Profit for the year before members' remuneration and profit shares		130,162	92,607
Profit for the financial year attributable to:			
Non-controlling interests		-	1
Members of Apax Partners LLP		130,162	92,606
		130,162	92,607
Profit for the year before members' remuneration and profit shares		130,162	92,607
Members' remuneration charged as an expense		(55,205)	(42,334)
Non-controlling interests		-	(1)
Profit for the financial year available for discretionary division among members		74,957	50,272

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £000	2019 £000
Profit for the financial year	74,957	92,607
Other comprehensive income		
Gain/Loss on foreign currency translation	23 1,251	(1,248)
Total comprehensive income for the year	<u>76,208</u>	<u>91,359</u>
Profit for the year attributable to:		
Non-controlling interest	-	1
Owners of the parent LLP	130,162	92,606
	<u>130,162</u>	<u>92,607</u>
Total comprehensive income attributable to:		
Non-controlling interest	-	1
Owners of the parent LLP	76,208	91,358
	<u>76,208</u>	<u>91,359</u>

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020


	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	618	-
Tangible assets	14	3,735	4,395
Investments	15	3	3
		<u>4,356</u>	<u>4,398</u>
Current assets			
Debtors	16	48,801	40,384
Cash at bank and in hand	17	25,256	21,935
		<u>74,057</u>	<u>62,319</u>
Creditors: amounts falling due within one year	18	(27,562)	(26,495)
Net current assets		<u>46,495</u>	<u>35,824</u>
Total assets less current liabilities		<u>50,851</u>	<u>40,222</u>
Provisions for liabilities			
Other provisions	21	(11,018)	(13,514)
		<u>(11,018)</u>	<u>(13,514)</u>
Net assets		<u>39,833</u>	<u>26,708</u>

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Capital and reserves			
Loans and other debts due to members within one year			
Members' capital classified as a liability	22	1,253	1,253
Other amounts	22	37,534	25,660
		<u>38,787</u>	<u>26,913</u>
Members' other interests			
Members' capital classified as equity	23	55	55
Other reserves classified as equity	23	991	(260)
		<u>1,046</u>	<u>(205)</u>
		<u>39,833</u>	<u>26,708</u>
Total members' interests			
Loans and other debts due to members	22	38,787	26,913
Members' other interests	23	1,046	(205)
		<u>39,833</u>	<u>26,708</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

DocuSigned by:

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A P Sillitoe
 Designated member

Date: 23-Jul-2020

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020


	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	618	-
Tangible assets	14	2,432	2,823
Investments	15	1,338	3,045
		<u>4,388</u>	<u>5,868</u>
Current assets			
Debtors	16	40,176	32,449
Cash at bank and in hand	17	15,680	11,783
		<u>55,856</u>	<u>44,232</u>
Creditors: amounts falling due within one year	18	(28,999)	(27,092)
		<u>26,857</u>	<u>17,140</u>
Net current assets		<u>31,245</u>	<u>23,008</u>
Total assets less current liabilities			
		<u>31,245</u>	<u>23,008</u>
Provisions for liabilities			
Other provisions	21	(10,063)	(12,627)
		<u>(10,063)</u>	<u>(12,627)</u>
Net assets		<u>21,182</u>	<u>10,381</u>

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

LLP STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Capital and reserves			
Loans and other debts due to members within one year	22		
Members' capital classified as a liability		1,253	1,253
Other amounts		19,874	9,073
		<u>21,127</u>	<u>10,326</u>
Members' other interests			
Members' capital classified as equity	23	55	55
		<u>55</u>	<u>55</u>
		<u>21,182</u>	<u>10,381</u>
Total members' interests			
Loans and other debts due to members	22	21,127	10,326
		<u>21,127</u>	<u>10,326</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

DocuSigned by:

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A P Sillitoe
 Designated member

Date: 23-Jul-2020

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Members capital (classified as equity) £000	Other reserves £000	Equity attributable to members £000	Total equity £000
At 1 April 2019	55	(260)	(205)	(205)
Profit for year for discretionary division among members	-	74,957	74,957	74,957
Gain on foreign currency translation	-	1,251	1,251	1,251
Allocated profit	-	(74,957)	(74,957)	(74,957)
At 31 March 2020	55	991	1,046	1,046

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Members capital (classified as equity) £000	Other reserves £000	Equity attributable to members £000	Non- controlling interests £000	Total equity £000
At 1 April 2018	55	988	1,043	12	1,055
Profit for year for discretionary division among members	-	50,272	50,272	1	50,273
Loss on foreign currency translation	-	(1,248)	(1,248)	-	(1,248)
Allocated profit	-	(50,272)	(50,272)	-	(50,272)
Elimination of non-controlling interest on acquisition	-	-	-	(13)	(13)
At 31 March 2019	55	(260)	(205)	-	(205)

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Members capital (classified as equity) £000	Other reserves £000	Total equity £000
At 1 April 2019	55	-	55
Profit for year for discretionary division among members	-	75,537	75,537
Allocated profit	-	(75,537)	(75,537)
At 31 March 2020	55	-	55

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Members capital (classified as equity) £000	Other reserves £000	Total equity £000
At 1 April 2018	55	-	55
Profit for year for discretionary division among members	-	46,655	46,655
Allocated profit	-	(46,655)	(46,655)
At 31 March 2019	55	-	55

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	130,162	92,607
Adjustments for:		
Amortisation of intangible assets	265	-
Depreciation of tangible assets	1,172	1,399
Loss on disposal of tangible assets	-	60
Interest receivable and other similar income	(738)	(3,144)
Interest payable and other similar charges	1,434	68
Taxation charge	3,460	3,427
Movements in debtors	(9,731)	869
Movements in amounts owed by affiliated undertakings	1,326	(2,576)
Movements in creditors	1,096	2,494
Movements in amounts owed to affiliated undertakings	599	(6,696)
Movement in provisions	(2,496)	9,528
Corporation tax (paid)	(4,280)	(6,726)
Net cash generated from operating activities before transactions with members	<u>122,269</u>	<u>91,310</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(317)	-
Purchase of tangible fixed assets	(1,043)	(882)
Interest received	738	93
Net cash from investing activities	<u>(622)</u>	<u>(789)</u>
Cash flows from financing activities		
Interest paid	(38)	(68)
Members' drawings	(118,288)	(98,212)
Net cash used in financing activities	<u>(118,326)</u>	<u>(98,280)</u>
Net increase/(decrease) in cash and cash equivalents	3,321	(7,759)
Cash and cash equivalents at beginning of year	21,935	29,694
Cash and cash equivalents at the end of year	<u>25,256</u>	<u>21,935</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	25,256	21,935
	<u>25,256</u>	<u>21,935</u>

The notes on pages 16 to 41 form part of these financial statements.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

The LLP is a limited liability partnership and is incorporated and domiciled in England. The address of the registered office is 33 Jermyn Street, London, SW1Y 6DN. The nature of the LLP's operations and its principal activities are set out in the Members' Report on page 2.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*), the requirements of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

The financial statements are prepared on a going concern basis, as the members are satisfied that the LLP and the group has adequate resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next twelve months.

The members have considered the impact of the emergence and spread of Coronavirus Disease ("COVID-19") in carrying out their assessment and potential implications on future operations of the LLP and the group. The members have also considered the committed contractual revenue from investment advisory services and forecasted expenditure and note that even in a reasonably plausible downside scenario, the LLP and the group expects to receive fees sufficient to enable it to pay its forecasted expenses as and when they fall due. Furthermore, the LLP and the group do not have any external debt commitments nor contingent liabilities, and as at 31 March 2020, the group had a cash balance of £25.3m. Whilst there are significant wider market uncertainties, the members do not believe this will significantly impact the profitability or liquidity of the group over the next twelve months.

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 judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.1 Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities, results and cashflows of the LLP and its subsidiary undertakings ("the group") made up to 31 March each year. The financial statements of Apax Investment Management (Shanghai) Company Limited are non-coterminous and are made up to 31 December.

All intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

The group has an employee benefit trust, Apax Partners Limited Employee Benefit Trust (the "EBT"). Accounting principles regard the EBT as being under the control of the Apax Partners LLP group and therefore has been consolidated in these financial statements.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Turnover

Turnover represents fees received from investment advisory and transaction related services provided to private equity funds during the year. It is recognised to the extent it is probable that the economic benefits will flow to the company 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.

2.3 Intangible assets

Intangible assets include software development costs which are initially recognised at cost and subsequently at cost less impairment.

All intangible assets are amortised over their useful lives, which shall not exceed five years due to technological advancement and changes in market prices.

2.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the remaining lease term
Fixtures and fittings	- 20%
Office and computer equipment	- 50%

Assets under construction represent website development costs and directly attributable consultancy fees incurred in the period developing software and bringing the asset into working condition for the its intended use. Once the asset is ready for use, it will be transferred from assets under construction to the appropriate and permanent category of fixed assets. Assets in the course of construction are not depreciated until they are completed and in operational use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.5 Impairment of fixed assets

Fixed assets are reviewed for impairment if there are events or changes in circumstances that indicate that the carrying value of fixed assets may not be recoverable.

When the carrying amount of a fixed asset exceeds recoverable amount, the fixed asset is impaired and is written down to recoverable amount and the loss is recognised in the income statement in the period in which it occurs.

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Operating leases: lessee

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

2.8 Operating leases: lessor

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

2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Financial Instruments

The group has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade debtors, amounts due from group and affiliated undertakings, other receivables and cash at bank and in hand, 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 profit or loss.

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 profit or loss.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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) despite having retained some significant risks and rewards of ownership, 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.

Financial liabilities

Basic financial liabilities, including trade creditors, amounts due to group and affiliated undertakings 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 receipts 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

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Financial Instruments (continued)

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.

2.11 Foreign currency translation

Functional and presentation currency

The LLP'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.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities that are measured at historical costs are translated using the exchange rate at the date of transaction. Foreign exchange differences arising from translation and conversion are dealt within the statement of comprehensive income.

The results of overseas operations are translated at the average rates of exchange during the year and their statements of financial position at the rates ruling at the reporting date. Exchange differences arising on translation of the opening net assets and results of overseas operations are dealt with through reserves. All other exchange differences are included in the income statement.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income statement in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. The LLP itself does not pay tax on profits earned, rather the liability to any tax on profits earned in the partnership is with the members. The tax included in the consolidated accounts is therefore only tax incurred by the group corporate subsidiaries. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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 group operates and generates income.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax balances are not discounted.

2.15 Profit allocation

Profit allocations to members are recognised on a periodic basis throughout the accounting period to which they relate.

2.16 Drawings

Drawings represent payments on account of profits which are allocated to members on a periodic basis. Members are entitled to an annual fixed profit share and further profit share of the net profits of the LLP at a level determined by the Executive Committee and in accordance with the terms of the Partnership Deed.

2.17 Members' capital

Capital contributions of each of the members are set out in the Limited Liability Partnership agreement. Where the partnership does not have an obligation to repay the member their capital, such capital is classified as equity.

2.18 Reserves

The Limited Liability Partnership's reserves are as follows:

- members' capital classified as equity represents the capital contributions made by the members;
- other reserves represent profit and loss not yet allocated to the members; and
- amounts due to members represents amounts owed to the members of the Limited Liability Partnership.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the LLP's accounting policies, which are described in note 2, the members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the LLP's accounting policies

The members do not consider that there are any critical judgments, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying the LLP's accounting policies which would have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investments in subsidiaries

Determining whether the LLP's investments in subsidiaries have been impaired requires estimations of the investments' fair value or value in use.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

Provisions are made for contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****4. TURNOVER**

Turnover is comprised mainly of advisory and transaction related fees charged to Apax Partners X Gp Co. Limited, Apax IX GP Co. Limited, Apax VIII GP Co. Limited, Apax Europe VII GP Co. Limited, Apax Guernsey Managers Limited, AMI Management Limited, Apax Partners Digital GP Co. Limited and Apax USVII GP Limited, which are the general partners and managers of the Apax X, IX, VIII, VII, AGA, AMI, Digital and USVII funds.

5. OTHER OPERATING INCOME

	2020 £000	2019 £000
Profit on sale of investment	-	82
Rental income	3,661	3,768
Other income	46,739	15,654
	<u>50,400</u>	<u>19,504</u>

Other income includes £33,575,000 (2019 - £6,126,000) relating to income received with respect to carried interest bonus and other bonus awards paid from time to time.

6. OPERATING PROFIT

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

	2020 £000	2019 £000
Depreciation of tangible fixed assets	1,172	1,399
Amortisation of intangible fixed assets	265	-
Fees payable to the group's auditor and its associates for the audit of the LLP's annual financial statements	80	73
- The audit of the group's subsidiaries	225	216
- Non-audit services	172	169
Other operating lease rentals	9,035	9,192
Defined contribution pension cost	1,493	1,175
Provisions (note 21)	(2,168)	8,726
Loss on sale of tangible fixed assets	-	60
	<u>-</u>	<u>60</u>

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. EMPLOYEES

Staff costs were as follows:

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Wages and salaries	52,463	48,141	-	-
Social security costs	4,026	3,488	-	-
Cost of defined contribution scheme	1,493	1,175	-	-
Other compensation	9,863	1,176	-	-
	<u>67,845</u>	<u>53,980</u>	<u>-</u>	<u>-</u>

Other compensation includes carried interest bonus and other performance awards paid from time to time.

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2020 No.	2019 No.
Employees	<u>242</u>	<u>238</u>

The entity has no employees other than the members, who did not receive any remuneration (2019 - £NIL)

8. INFORMATION IN RELATION TO MEMBERS

	2020 Number	2019 Number
The average number of members during the year was	<u>38</u>	<u>39</u>
	2020 £000	2019 £000
The amount of profit attributable to the member with the largest entitlement was	<u>11,267</u>	<u>6,868</u>

The highest paid member is determined by their profit allocation.

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £000	2019 £000
Other interest receivable	738	90
Foreign exchange gains	-	3,054
	<u>738</u>	<u>3,144</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Bank interest payable	38	51
Bank charges	44	17
Foreign exchange losses	1,352	-
	<u>1,434</u>	<u>68</u>

11. TAXATION

	2020 £000	2019 £000
CORPORATION TAX		
Current tax on profits for the year	132	855
Adjustments in respect of previous periods	(292)	(696)
FOREIGN TAX		
Foreign tax on income for the year	3,618	3,289
DEFERRED TAX		
Origination and reversal of timing differences	(30)	(56)
Changes to tax rates	32	35
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>3,460</u>	<u>3,427</u>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. TAXATION (CONTINUED)

Factors affecting tax charge for the year

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

	2020 £000	2019 £000
Profit on ordinary activities before tax	133,622	96,034
Members' remuneration charged as an expense	(55,205)	(42,334)
Profit of the LLP entity	(75,537)	(46,655)
	<u>2,880</u>	<u>7,045</u>
Profit of subsidiary undertakings before tax		
	2020 £000	2019 £000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	547	1,339
Effects of:		
Effect of tax rates in foreign jurisdiction	512	1,077
Reduction in tax rate on deferred tax balances	24	35
Expenses not deductible for tax purposes	330	176
Tax exempt revenues	2,218	1,353
Recognition of previously unrecognised tax losses	(1)	-
Over provided in prior years	(292)	(696)
Effects of double tax relief	(108)	(98)
Gain on disposal of investments	-	(16)
Foreign tax suffered	192	196
Capital allowances for year in excess of depreciation (deferred tax not provided)	(15)	(9)
Short term timing differences (deferred tax not provided)	53	70
	<u>3,460</u>	<u>3,427</u>
Total tax charge for the year		

A reduction in the UK corporation tax rate to 19% from 1 April 2017 was substantively enacted in November 2015. The UK corporation tax rate will remain at 19% for the years starting 1 April 2020 and 2021 as announced at the 2020 Budget.

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****12. INTANGIBLE ASSETS****Group and LLP**

	Software development £000
COST	
Additions	317
Transfers between classes	668
At 31 March 2020	<u>985</u>
AMORTISATION	
Charge for the year on owned assets	265
Transfers between classes	102
At 31 March 2020	<u>367</u>
NET BOOK VALUE	
At 31 March 2020	<u>618</u>
At 31 March 2019	<u>-</u>

All of the Group's intangible fixed assets are held in Apax Partners LLP, the ultimate parent entity. Software development costs relate to internal proprietary software systems.

13. PARENT LLP PROFIT FOR THE YEAR

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The profit after tax of the LLP for the year was £75,537,000 (2019 - £46,655,000).

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Assets under construction £000	Total £000
COST					
At 1 April 2019	13,657	2,342	3,940	381	20,320
Additions	43	170	388	442	1,043
Disposals	-	-	(10)	-	(10)
Transfers between classes	23	-	(233)	(458)	(668)
Exchange adjustments	176	66	26	-	268
At 31 March 2020	13,899	2,578	4,111	365	20,953
DEPRECIATION					
At 1 April 2019	11,165	1,615	3,145	-	15,925
Charge for the year on owned assets	548	150	474	-	1,172
Disposals	-	-	(10)	-	(10)
Transfers between classes	-	-	(102)	-	(102)
Exchange adjustments	154	62	17	-	233
At 31 March 2020	11,867	1,827	3,524	-	17,218
NET BOOK VALUE					
At 31 March 2020	2,032	751	587	365	3,735
At 31 March 2019	2,492	727	795	381	4,395

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. TANGIBLE FIXED ASSETS (CONTINUED)

LLP

	Leasehold improvements £000	Fixtures and fittings £000	Office equipment £000	Assets under construction £000	Total £000
COST					
At 1 April 2019	8,751	155	2,144	381	11,431
Additions	21	165	256	442	884
Transfers between classes	23	-	(233)	(458)	(668)
At 31 March 2020	8,795	320	2,167	365	11,647
DEPRECIATION					
At 1 April 2019	7,032	33	1,543	-	8,608
Charge for the year on owned assets	353	39	317	-	709
Transfers between classes	-	-	(102)	-	(102)
At 31 March 2020	7,385	72	1,758	-	9,215
NET BOOK VALUE					
At 31 March 2020	1,410	248	409	365	2,432
At 31 March 2019	1,719	122	601	381	2,823

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****15. FIXED ASSET INVESTMENTS**

Group

	Other fixed asset investments £000
COST OR VALUATION	
At 1 April 2019	21
At 31 March 2020	<u>21</u>
IMPAIRMENT	
At 1 April 2019	18
At 31 March 2020	<u>18</u>
NET BOOK VALUE	
At 31 March 2020	<u>3</u>
At 31 March 2019	<u>3</u>

A list of subsidiary undertakings is included in note 30.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. FIXED ASSET INVESTMENTS (CONTINUED)

LLP

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 April 2019	3,045
At 31 March 2020	<u>3,045</u>
IMPAIRMENT	
Charge for the period	1,707
At 31 March 2020	<u>1,707</u>
NET BOOK VALUE	
At 31 March 2020	<u>1,338</u>
At 31 March 2019	<u>3,045</u>

A list of subsidiary undertakings is included in note 30.

16. DEBTORS

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
DUE AFTER MORE THAN ONE YEAR				
Deferred tax asset (see note 20)	220	201	-	-
DUE WITHIN ONE YEAR				
Trade debtors	584	1,616	550	1,109
Amounts owed by group undertakings	-	-	503	513
Amounts owed by affiliated undertakings	22,271	23,597	21,441	22,826
Other debtors	7,051	6,111	1,342	2,265
Prepayments and accrued income	18,348	7,549	16,340	5,736
Deferred taxation (see note 20)	327	334	-	-
Financial instruments	-	976	-	-
	<u>48,801</u>	<u>40,384</u>	<u>40,176</u>	<u>32,449</u>

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****17. CASH AND CASH EQUIVALENTS**

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Cash at bank and in hand	25,256	21,935	15,680	11,783
	<u>25,256</u>	<u>21,935</u>	<u>15,680</u>	<u>11,783</u>

As at 31st March 2020, cash and cash equivalents includes an amount of £3,041,000 (2019 – £1,906,000) which is restricted. This represents a collateralised deposit required to be held under the terms of certain contractual agreements.

18. CREDITORS: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Trade creditors	6,963	6,226	6,395	5,593
Amounts owed to group undertakings	-	-	20,287	17,399
Amounts owed to affiliated undertakings	2,290	1,691	-	-
Corporation tax	200	640	-	-
Other taxation and social security	4,032	547	-	-
Other creditors	944	2,005	451	88
Accruals and deferred income	13,133	15,386	1,866	4,012
	<u>27,562</u>	<u>26,495</u>	<u>28,999</u>	<u>27,092</u>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

19. FINANCIAL INSTRUMENTS

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	25,256	21,935	15,680	11,783
Derivative financial instruments measured at fair value through profit or loss	-	976	-	-
	<u>25,256</u>	<u>22,911</u>	<u>15,680</u>	<u>11,783</u>
FINANCIAL LIABILITIES				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(30)	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>(30)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Derivative financial instruments designated as hedges of foreign currency risk comprise forward currency contracts.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

20. DEFERRED TAXATION

Group

	2020 £000	2019 £000
At 1 April	535	502
Credited to profit and loss account	12	33
At 31 March	547	535

The deferred tax asset is made up as follows:

	Group 2020 £000	Group 2019 £000
Accelerated capital allowances	117	119
Arising on accrued pension costs	16	-
Arising on accrued holiday	413	400
Other	1	16
	547	535

In addition to the deferred tax asset above, the LLP group has additional net non-trading loan relationship deficit arising in the UK of £308,729 (2019 - £260,292) that is available for offset indefinitely against non-trading loan relationship credits of future accounting periods and additional unrecognised excess of tax written down value over the net book value of qualifying assets of £366,538 (2019 - £446,988). Deferred tax has not been recognised as it is not probable that it will be recoverable against future profits. There are no unrecognised trade tax losses in the overseas group companies.

Deferred tax in respect of overseas group companies has been recognised based on the applicable overseas tax rate as at the balance sheet date.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

21. PROVISIONS

Group

	Onerous lease £000	Management fee waiver £000	Onerous events costs £000	Post employment liabilities £000
At 1 April 2019	1,180	11,447	-	887
(Credited)/ charged to profit and loss account	(217)	(2,635)	288	68
At 31 March 2020	963	8,812	288	955

LLP

	Onerous lease £000	Management fee waiver £000	Onerous events costs £000
At 1 April 2019	1,180	11,447	-
(Credited)/ charged to profit and loss account	(217)	(2,635)	288
At 31 March 2020	963	8,812	288

Onerous lease

The onerous lease provision relates to the sub-lease of office space not occupied by the LLP. It represents the potential unavoidable costs of meeting the contracted lease obligation in excess of the economic benefits expected to be received from sub-lease income. The unutilised provision as at 31 March 2020 is £963,000 (2019 - £1,180,000).

Management fee waiver

Management fee waiver ("MFW") programs are schemes which allow individual residents in a certain jurisdiction to waive remuneration in consideration for an interest of equal value in a fund limited partnership. When the fund's general partner makes a capital call on a participant of the management fee waiver program, instead of receiving an amount of cash from the participant, the fund's general partner is entitled to reduce the fee payable to the investment advisor by an equal amount. The MFW provision as at 31 March 2020 represents the timing difference between amounts deducted from advisory fees received and deductions made from compensation paid to participants in the MFW program.

Onerous event costs

As at 31 March 2020 the company booked a provision for £288,000 (2019 - £nil) with respect to onerous costs due to the postponement of events as a result of the travel restrictions imposed by the COVID-19 crisis.

Post-employment liabilities

Post-employment liabilities represent severance pay and other liabilities for Israeli employees which are not funded through corporate insurance policies.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

22. LOANS AND OTHER DEBTS DUE TO MEMBERS

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Members capital treated as debt	1,253	1,253	1,253	1,253
Amounts due to members	37,534	25,660	19,874	9,073
	<u>38,787</u>	<u>26,913</u>	<u>21,127</u>	<u>10,326</u>

Loans and other debts due to members may be further analysed as follows:

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Falling due within one year	38,787	26,913	21,127	10,326
	<u>38,787</u>	<u>26,913</u>	<u>21,127</u>	<u>10,326</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. RECONCILIATION OF MEMBERS' INTERESTS (GROUP)

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Members' capital (classified as equity) £000	Other reserves £000	Total £000	Members' capital (classified as debt) £000	Other amounts £000	Total £000	Total £000
Amounts due to members					25,660	25,660	
Balance at 31 March 2019	55	(260)	(205)	1,253	25,660	26,913	26,708
Members' remuneration charged as an expense	-	-	-	-	55,205	55,205	55,205
Profit for the year available for discretionary division among members	-	74,957	74,957	-	-	-	74,957
Members' Interests after profit for the year	55	74,697	74,752	1,253	80,865	82,118	156,870
Profit allocation	-	(74,957)	(74,957)	-	74,957	74,957	-
Gains on foreign currency translation	-	1,251	1,251	-	-	-	1,251
Drawings	-	-	-	-	(64,736)	(64,736)	(64,736)
Drawings made through subsidiaries	-	-	-	-	(53,552)	(53,552)	(53,552)
Amounts due to members					37,534	37,534	
Balance at 31 March 2020	55	991	1,046	1,253	37,534	38,787	39,833

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. RECONCILIATION OF MEMBERS' INTERESTS (LLP)

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from interests members in debtors			Total members'
	Members' capital (classified as equity) £000	Other reserves £000	Total £000	Members' capital (classified as debt) £000	Other amounts £000	Total £000	Total £000
Amounts due to members					9,073	9,073	
Balance at 31 March 2019	55	-	55	1,253	9,073	10,326	10,381
Profit for the year available for discretionary division among members	-	75,537	75,537	-	-	-	75,537
Members' Interests after profit for the year	55	75,537	75,592	1,253	9,073	10,326	85,918
Profit allocation	-	(75,537)	(75,537)	-	75,537	75,537	-
Drawings	-	-	-	-	(64,736)	(64,736)	(64,736)
Amounts due to members					19,874	19,874	
Balance at 31 March 2020	55	-	55	1,253	19,874	21,127	21,182

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****24. RELATED PARTY TRANSACTIONS**

The LLP has taken advantage of the exemption in FRS 102 relating to transactions between wholly owned subsidiaries of the group. During the year there have been no related party transactions which require disclosure.

Affiliates are entities which may have certain members, directors and shareholders in common and may operate under the Apax name.

25. PENSION COMMITMENTS

The company contributed £1,548,000 to staff pensions in the year (2019 - £1,249,000). At the year end a total amount of £235,822 (2019 - £592,000) was payable and included in creditors.

26. OPERATING LEASE ARRANGEMENTS**Group and LLP as lessee**

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

	Group 2020 £000	Group 2019 £000	LLP 2020 £000	LLP 2019 £000
Not later than 1 year	9,363	9,208	5,225	5,225
Later than 1 year and not later than 5 years	30,261	34,880	15,675	20,900
Later than 5 years	4,382	7,307	-	-
	<u>44,006</u>	<u>51,395</u>	<u>20,900</u>	<u>26,125</u>

Lease payments under operating leases recognised as an expense in the year have been disclosed in note 6.

Group and LLP as lessor

At 31 March 2020 the group and the LLP had contracted with tenants for the following future minimum lease payments as follows:

	2020 £000	2019 £000
Not later than 1 year	3,316	3,179
Later than 1 year and not later than 5 years	9,985	13,311
Later than 5 years	-	-
	<u>13,301</u>	<u>16,490</u>

Lease payments from tenants under operating leases are recognised as income in the year and have been disclosed in note 5. Apax Partners LLP sublets office space at commercial rates to external tenants whose leases in the main are due to expire by 2024.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

27. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

On 4 February 2019, the LLP provided a £8,605,852 (€10,000,000) loan commitment to Apax Guernsey (Holdco) PCC Limited for Apax X GP Co. Ltd, a Guernsey registered company, of which £nil had been drawn down at the balance sheet date.

On 12 December 2019, the LLP provided a £430,923 (€500,000) loan commitment to Apax Guernsey (Holdco) PCC Limited for Apax GP S.A.R.L., a Luxembourg private limited liability company, of which £89,140 had been drawn down at the balance sheet date.

Foreign currency - forward rate agreements

Apax Partners Worldwide Holdings Ltd, a wholly owned subsidiary undertaking has entered into hedging arrangements to reduce some of the currency exposure within the group. Forward contracts in place at the balance sheet date are:

Sell Euro 37,334,865, Buy GBP 33,400,000 (2019: Sell Euro 37,005,193, Buy GBP 33,200,000).

Guarantees

At 31 March 2020 the group had the following guarantees;

- On 30 December 2015, the LLP issued a guarantee to Deutsche Bank for the benefit of BP/CGCentre 1 LLC in respect of the office lease on 53rd Floor, 601 Lexington Avenue, New York, NY, 10022, occupied by Apax Partners LP, a subsidiary of the LLP. The guarantee covers a Letter of Credit for £491,433 (\$610,360).
- Apax Partners LLP has provided guarantees to certain Apax funds in respect of the obligations of Founder Partner entities to return excess carried interest payments under clawback provisions in the limited partnership agreements of such funds.

Contingent liabilities

At 31 March 2020 the group had the following contingent liabilities;

- From time to time, the group may be party to claims and legal proceedings that arise in the ordinary course of business. The members do not anticipate that the outcome of such proceedings and claims, either individually or in aggregate, would have a material adverse effect upon the group's financial position.
- The LLP and its subsidiaries operate in many jurisdictions whose tax rules can be complex and subjective and can potentially be subject to alternative interpretations which, if adopted may result in changes to the LLP group's tax charge. The LLP and its subsidiaries are also from time to time subject to ordinary course tax examinations. As at 31 March 2020, the members do not anticipate the outcome of any such examination, if they were to take place, having a material effect on the financial position or profitability of the LLP group.
- The group has indemnified certain individuals against additional tax charges that may arise as a direct result of transfers from its subsidiaries.

28. POST BALANCE SHEET EVENTS

The members have considered the financial and operational impact of the COVID-19 crisis on the LLP and wider group. As the crisis emerged, the Apax group implemented business continuity plans to ensure operational activity continued with minimal disruption. The LLP has predictable contractual revenue and significant cash resources (as at 31st March 2020 group cash: £25.3m of which held by the LLP: £15.7m) and therefore the members do not anticipate a material adverse impact on the ability of the LLP to continue in operational existence for at least the next twelve months.

There have been no other significant events affecting the company.

APAX PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****29. ULTIMATE CONTROLLING PARTY**

The members do not consider there to be any one ultimate controlling party.

30. SUBSIDIARY UNDERTAKINGS**DIRECT SUBSIDIARY UNDERTAKINGS**

The following were direct subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Apax Partners Worldwide Holdings Limited	33 Jermyn Street, London, SW1Y 6DN	Investment advisory	Ordinary	100%
Apax Partners US Holdings Limited	33 Jermyn Street, London, SW1Y 6DN	Intermediate holding company	Ordinary	100%
Apax Partners Hong Kong Limited	16/F Nexxus Building, 41 Connaught Road, Central, Hong Kong	Investment advisory	Ordinary	100%

INDIRECT SUBSIDIARY UNDERTAKINGS

The following were indirect subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Apax Partners Holdings Limited	33 Jermyn Street, London, SW1Y 6DN	Intermediate holding company	Ordinary	100%
Apax Partners UK Limited	33 Jermyn Street, London, SW1Y 6DN	Investment advisory	Ordinary	100%
Apax Partners Fund Services Limited	33 Jermyn Street, London, SW1Y 6DN	Fund administration	Ordinary	100%
Apax Partners Inc	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States	Intermediate holding company	Equity	100%
Apax Partners LLC	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States	Intermediate holding company	Equity	100%
Apax Partners LP	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States	Investment advisory	Ordinary	100%
Apax Partners Israel Limited	4 Berkowitz St., Tel Aviv, 64238, Israel	Investment advisory	Ordinary	100%
Apax Partners India Advisers Private Limited	6th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai, 400 013	Investment advisory	Equity	100%
Apax Investment Management (Shanghai) Company Limited*	100 Century Avenue, Pudong New District, 200120, Shanghai, China	Investment advisory	Equity	100%
Apax Partners Beteiligungsberatung GmbH	Theatinerstr. 3 80333, Munich, Germany	Investment advisory	Ordinary	100%
Apax Partners Limited Employee Benefit Trust	As it is a trust it has no registered office. The trustee, Volaw Corporate Trustee Limited is a Jersey incorporated company.	Employee benefit trust	N/a	0%

* Apax Investment Management (Shanghai) Company Limited has a financial year ending 31 December.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

31. ANALYSIS OF NET DEBT (GROUP)

	At 1 April 2019 £000	Arising from cash flows £000	Other non- cash changes £000	Changes in market value and exchange rate movements £000	At 31 March 2020 £000
Cash at bank and in hand	21,935	4,018	-	(697)	25,256
Net debt (before members' debt)	<u>21,935</u>	<u>4,018</u>	<u>-</u>	<u>(697)</u>	<u>25,256</u>
<i>Loans and other debts due to members</i>					
Members' capital	(1,253)	-	-	-	(1,253)
Other amounts due to members	(25,660)	118,288	(130,162)	-	(37,534)
	<u>(4,978)</u>	<u>122,306</u>	<u>(130,162)</u>	<u>(697)</u>	<u>(13,531)</u>