

Registered No: 04033881

Accel Partners Limited

Report and Consolidated Financial Statements for the year ended

31 December 2014

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Contents	Page
Administrative Information	3
Strategic Report	4
Directors' report	5
Independent Auditors' Report	7
Group Profit and Loss Account	9
Group Balance Sheet	10
Company Balance Sheet	11
Group Cash Flow Statement	12
Notes to the financial statements	13-21

Accel Partners Limited – Registered No: 04033881

Administrative Information

Directors

K E Comolli (up to 31/12/2014)

H Nelis

FGA Destin (from 01/09/2014)

J M A Biggs

S De Rycker

Secretary

J M A Biggs

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Bankers

Barclays Bank Plc

1 Churchill Place

London

E14 5HP

Legal Advisors

Kirkland & Ellis International LLP

30 St Mary Axe

London

EC3A 8AF

Registered Office

Fifth Floor

16 St James's Street

London

SW1A 1ER

Strategic report for the year ended 31 December 2014

The Directors present their strategic report of the Company and of the Group for the year ended 31 December 2014.

Principal activity and review of the business

The principal activity of the Company is the provision of management services to its subsidiary Accel Partners Management LLP (the “LLP”), a Limited Liability Partnership incorporated on 22 November 2002 through which the Group conducts its principal business activity of investment management services.

Key Performance Indicators (“KPIs”)

The key performance indicators used by the Members for an understanding of the development and performance of the LLP include management accounts, expense reports, regulatory capital reports and cash flow projections.

Financial Risk Management

The key business risks and uncertainties affecting the business are considered to relate to the performance of the underlying funds managed by the Group.

The Group is not exposed to any significant price, credit, liquidity or cash flow risk.

On behalf of the Board



Jonathan Biggs
Director
16 March 2015

Directors' report for the year ended 31 December 2014

The directors present their report and the audited consolidated financial statements of Accel Partners Limited (the "Company") and its subsidiary (together the "Group") for the year ended 31 December 2014.

Results and dividends

The Group results for the financial year amounted to £Nil (2013 - £Nil). The directors paid a final dividend of £Nil (2013 - £Nil) on the ordinary shares.

Development and performance

There have been no significant developments during 2014. The net assets shown in the Group balance sheet amounted to £171,534 (2013 - £171,533).

Future Developments

The directors expect the Group to continue its business activity of investment management services.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

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

Accel Partners Limited – Registered No: 04033881

Directors' report for the year ended 31 December 2014 – (continued)

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as the Company's auditors will be put to the directors at the Annual General Meeting.

Statement of disclosure of Information to auditors

In the case of each director in office at the date the directors' report is approved, each director confirms that: as far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Jonathan Biggs', with a long horizontal line extending to the right.

Jonathan Biggs
Director
16 March 2015

Independent Auditors' Report to the Members of Accel Partners Limited

Report on the financial statements

Our opinion

In our opinion, Accel Partners Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's result and cash flows 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.

What we have audited

Accel Partners Limited's financial statements comprise:

- the Group Profit and Loss Account for the year then ended;
- the Group Balance Sheet as at 31 December 2014;
- the Company Balance Sheet as at 31 December 2014;
- the Group Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Accel Partners Limited – (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Colleen Local (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 March 2015

Group Profit and Loss Account
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	15,809,903	18,211,613
Other income	2	364,145	346,242
Administrative expenses		(8,330,439)	(8,032,677)
Operating profit	3	7,843,609	10,525,178
Interest receivable and similar income		1,978	5,434
Interest payable and similar charges	6	(7,940)	(8,381)
Profit on ordinary activities before taxation		7,837,647	10,522,231
Tax credit/(charge) on profit on ordinary activities	7	-	154
Profit on ordinary activities after taxation		7,837,647	10,522,385
Minority interests	8	(7,837,647)	(10,522,385)
Result for the financial year		-	-

Consolidated statement of total recognised gains and losses

There are no recognised gains or losses other than the profit attributable to the shareholders of the parent Company, therefore no separate statement of total recognised gains or losses is presented. (2013: Nil)

As permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the parent Company has not been included in these financial statements. The profit on ordinary activities after taxation of the Parent Company was £Nil (2013: £Nil).

All of the Group's operations are classed as continuing.

There is no difference between the amounts stated above and their historical cost equivalents, either in respect of profit on ordinary activities before taxation or the result for the year.

Group Balance Sheet

at 31 December 2014

		2014	2013
	Notes	£	£
Fixed assets			
Tangible fixed assets	9	317,630	203,002
		<u>317,630</u>	<u>203,002</u>
Current assets			
Debtors (due after 1 year £843,320 (2013: £843,320))	10	2,140,302	2,113,618
Cash at bank and in hand		284,228	2,320,820
		<u>2,424,530</u>	<u>4,434,438</u>
Creditors: amounts falling due within one year	11	(2,570,626)	(4,465,907)
Net current liabilities		<u>(146,096)</u>	<u>(31,469)</u>
Total assets less current liabilities		<u>171,534</u>	<u>171,533</u>
 Called up share capital	13	1,000	1,000
Other reserves	16	170,526	170,526
Profit and loss account	16	-	-
Total Shareholders' funds	16	<u>171,526</u>	<u>171,526</u>
Minority interests	12	8	7
Capital employed		<u>171,534</u>	<u>171,533</u>

The notes on pages 13 to 21 form part of the financial statements.

The financial statements on page 9 to 12 were approved by the board of directors on 16 March 2015 and were signed on its behalf by:



Jonathan Biggs
Director

Company Balance Sheet
at 31 December 2014

		2014	2013
	Notes	£	£
Fixed assets			
Investments	14	50,000	50,000
Tangible assets	9	317,630	203,002
		<u>367,630</u>	<u>253,002</u>
Debtors (due after 1 year £843,320 (2013: £843,320))	10	1,658,178	1,696,769
Cash at bank and cash in hand		177,690	265,287
		<u>1,835,868</u>	<u>1,962,056</u>
Creditors: amounts falling due within one year	11	(2,031,972)	(2,043,532)
Net current liabilities		<u>(196,104)</u>	<u>(81,476)</u>
Total assets less current liabilities		<u>171,526</u>	<u>171,526</u>
Net assets		<u>171,526</u>	<u>171,526</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Other reserves	16	170,526	170,526
Profit and loss account	16	-	-
Total Shareholders' funds	16	<u>171,526</u>	<u>171,526</u>

The notes on pages 13 to 21 form part of the financial statements.

The financial statements on page 9 to 12 were approved by the board of directors on 16 March 2015 and were signed on its behalf by:



Jonathan Biggs
Director

Group Cash Flow Statement
for the year ended 31 December 2014

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	17(a)	7,525,955	10,932,250
Returns on investments and servicing of finance	17(b)	(9,361,871)	(9,331,457)
Capital expenditure and financial investments	17(b)	(200,676)	(36,270)
Taxation	17(b)	-	(51)
Financing	17(b)	-	-
(Decrease)/Increase in cash		(2,036,592)	1,564,472

Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Net funds at 1 January 2014	2,320,820	756,348
(Decrease)/Increase in cash during the year	(2,036,592)	1,564,472
Net funds at 31 December 2014	284,228	2,320,820

Analysis of changes in net funds

	2013	Cash Flows	2014
	£	£	£
Cash at bank and in hand	2,320,820	(2,036,592)	284,228
	2,320,820	(2,036,592)	284,228

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings drawn up until 31 December each year. All material intercompany transactions and balances have been eliminated in the consolidated financial statements and uniform accounting policies have been applied across the Group.

Investments

Investments are carried at the lower of cost and net realisable value.

Tangible Fixed assets

All fixed assets are recorded at cost less a provision for accumulated depreciation.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, being as follows:

Computers and technology equipment	-	over 3 years
Telecoms equipment	-	over 3 years
Office equipment	-	over 5 years
Fixtures and fittings	-	over 10 years

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Differences arising from rate movement between the due date and the actual payment date are taken to the Profit and Loss account.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and differences arising are taken to the Profit and Loss account.

Taxation and deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the Profit and Loss account as they become payable in accordance with the rules of the scheme.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the term of the lease.

Notes to the financial statements at 31 December 2014

2. Turnover

Turnover, which is stated net of value added tax, is attributable to one continuing activity, the supply of investment management services. Fees are recognised once receivable. All turnover in the year arose from the supply of services to Accel London Management Limited, which is a related entity.

Other income relates to rent received for a sublease acquired in year. Income is recognised as a straight line basis over the term of the sublease.

3. Operating Profit

This is stated after charging:

	Group 2014 £	Group 2013 £
Fees payable to company auditors':		
Audit of the Parent company and consolidated financial statements	13,060	12,130
Audit of the company's subsidiary financial statements	21,000	21,475
Other audit related services	2,200	3,460
Taxation services	82,590	106,447
Depreciation	86,048	83,455
Operating lease	968,150	969,510
Foreign exchange	3,630	16,407

4. Staff cost

	Group & Company 2014 £	Group & Company 2013 £
Wages and salaries	2,004,138	1,747,926
Social Security	272,014	263,259
Pension	30,952	31,806
	<u>2,307,104</u>	<u>2,042,991</u>

Notes to the financial statements

at 31 December 2014

The average monthly number of persons (including members) employed by the Company during the year was:

	Group		Company	
	2014	2013	2014	2013
Administration	14	14	14	14
Fund Management	8	8	-	-
	<u>22</u>	<u>22</u>	<u>14</u>	<u>14</u>

5. Information in relation to directors

During the year no Director received any remuneration in respect of services provided to the Company. Some of the Directors are also Members of the LLP, the total remuneration receivable by the Directors in their capacity as Members was £5,987,618 (2013 £9,227,061).

The amount of remuneration attributable to the Director in their capacity as Member with the largest remuneration was £1,687,525.

6. Interest payable and similar charges

	Group & Company 2014 £	Group & Company 2013 £
Interest payable on loan and overdrafts payable within 1 year, not by instalments;		
Other finance costs	7,940	8,381
	<u>7,940</u>	<u>8,381</u>

7. Tax on Profit on ordinary activities

The Group tax charge is made up of as follows

(a) Analysis of charge in the period	2014 £	2013 £
Current tax:	-	-
Adjustments in respect of the prior period	-	51
Tax on Profit on ordinary activities	<u>-</u>	<u>51</u>

Notes to the financial statements
at 31 December 2014

(b) Factors affecting tax charge for year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK.
 The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	7,837,647	10,522,231
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	1,157,529	2,104,446
Effect of:		
Disallowed expenses and non-taxable income	-	82
Adjustments in respect of the prior year	-	(205)
Profits allocated to minority interests	(1,157,529)	(2,104,477)
Total current tax	-	(154)

The rate of corporation tax changed from 23% to 21% on 1st April 2014. This had the effect of lowering the tax charge for the year.

The reductions in the corporation tax rate to 20% on 1st April 2015 will result in lower future tax charges for the company.

8. Minority interests

	2014 £	2013 £
Minority interests	7,837,647	10,522,385

These represent appropriations to other members of Accel Partners Management LLP.

**Notes to the financial statements
at 31 December 2014**

9. Tangible fixed assets

Group and Company	Telecoms Equipment £	Computers and Technology Equipment £	Office Equipment £	Fixtures and Fittings £	Total £
Cost:					
At 1 January 2014	21,426	326,009	104,615	1,293,506	1,745,556
Additions	-	106,187	23,055	71,434	200,676
1 December 2014	21,426	432,196	127,670	1,364,940	1,946,232
Accumulated Depreciation:					
At 1 January 2014	20,095	280,977	46,784	1,194,698	1,542,554
Provided during the year	849	47,712	20,702	16,785	86,048
At 31 December 2014	20,944	328,689	67,486	1,211,483	1,628,602
Net book value:					
At 31 December 2013	1,331	45,032	57,831	98,808	203,002
At 31 December 2014	482	103,507	60,184	153,457	317,630

10. Debtors

	Group 2014 £	2013 £	Company 2014 £	2013 £
Amounts due within 1 year				
Amounts owed by other related companies	243,181	222,209	-	-
Other debtors	113,515	203,479	106,087	70,856
Prepayments and accrued income	760,500	844,610	708,771	782,593
Loans and other debts due from members	179,786	-	-	-
	1,296,982	1,270,298	814,858	853,449
Amounts due after 1 year				
Rent deposit	843,320	843,320	843,320	843,320
Total	2,140,302	2,113,618	1,658,178	1,696,769

The amount owed by related companies arises in the normal course of business, is unsecured, interest free and repayable on demand.

Notes to the financial statements
at 31 December 2014

11. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	133,203	106,012	88,457	83,842
Amounts owed due to related companies	101,763	407,183	1,367,724	1,555,530
Accruals	629,879	687,246	126,480	62,838
Corporation tax	-	51	-	51
PAYE and NI liabilities	449,311	490,682	449,311	341,271
Loans and other debts owed due to members of the subsidiary	1,256,470	2,774,733	-	-
	<u>2,570,626</u>	<u>4,465,907</u>	<u>2,031,972</u>	<u>2,043,532</u>

12. Minority interest

Minority interests represent the interests of other members in Accel Partners Management LLP. Loans and other amounts due to these members are included in creditors

	2014	2013
	£	£
Capital contributed by interests	8	7
Profit Attributable to minority interests	7,837,647	10,522,385
Profit Attributable to minority interests	<u>(7,837,647)</u>	<u>(10,522,385)</u>
	<u>8</u>	<u>7</u>

13. Called Up Share Capital

	Authorised	
	2014	2013
	£	£
'A' Ordinary share of £1 each	1	1
Ordinary shares of £1 each	999	999

	Allotted, called up and fully paid			
	2014	2013	2014	2013
	No.	No.	£	£
'A' Ordinary share of £1 each	1	1	1	1
Ordinary shares of £1 each	999	999	999	999
Total			<u>1,000</u>	<u>1,000</u>

Notes to the financial statements at 31 December 2014

The 'A' Ordinary Shares do not confer on the holders any right of participation in the profits of the Company.

The holders of the 'A' Ordinary Shares have the right, by notice in writing signed by a majority of the holders of the 'A' Ordinary Shares delivered to the registered office of the Company, to appoint persons nominated by such holders as Directors of the Company and to remove from office any person so appointed.

14. Investments

The Company controls Accel Partners Management LLP due to its rights as a managing member, these include: discretion over the allocation of profits of the LLP remaining after fixed shares due to other members, supervision and authority over the routine administration and operation of the LLP as carried out by the other members and the right to appoint new members to the LLP and remove existing members. Accel Partners Limited holds 11.1% of voting rights of Accel Partners Management LLP.

	2014 £	2013 £
Company cost	50,000	50,000

15. Operating lease commitments

At 31 December the Company had annual commitments under operating leases as follows:

	2014 Buildings £	2013 Buildings £
For leases expiring:		
Within one year	-	-
Between two and five years	-	-
Over 5 years	969,510	969,510

16. Reconciliation of shareholders' funds and movements on reserves

Group and Company	Called up Share Capital £	Other reserves £	Profit and Loss account £	Total shareholders' Funds £
At 31 December 2014 and 31 December 2013	1,000	170,526	-	171,526

Notes to the financial statements
at 31 December 2014

17. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	7,843,609	10,525,178
Depreciation	86,048	83,455
Increase in debtors	(26,684)	(16,218)
(Decrease) / Increase in creditors	(377,018)	339,835
	<u>7,525,955</u>	<u>10,932,250</u>

(b) Analysis of cash flows for headings netted in the statement of cash flows

Returns on investments and servicing of finance

	2014 £	2013 £
Interest received and similar income	1,978	5,434
Interest paid and similar charges	(7,940)	(8,381)
Repayment of Capital	(1)	(1)
Payment of Capital	2	-
Drawings by other members of subsidiary undertakings	(9,355,910)	(9,328,509)
	<u>(9,361,871)</u>	<u>(9,331,457)</u>

Capital expenditure and financial investments

	2014 £	2013 £
Payment to acquire tangible fixed assets	<u>(200,676)</u>	<u>(36,270)</u>

**Notes to the financial statements
at 31 December 2014**

18. Related party transactions

Expenses incurred by the Company to the value of £4,578,612 (2013: £4,265,251) were paid for by Accel Partners Management LLP.

Expenses were repaid to Accel Management Co L.L.C to the value of £337,743 (2013: £374,339). Expenses outstanding at 31 December 2014 were £101,763 (2013: £62,208), which are shown in creditors.

The Group received management fees from Accel Europe Guernsey Limited (the parent undertaking of Accel Partners Limited) for the provision of investment management services. The total fees for the year ended 31 December 2014 were £Nil (2013: £15,369,248). Fees receivable at 31 December 2014 were £Nil (2013: £Nil).

The Group received advisory fees from Accel London Management Limited. The total fees for the year ended 31 December 2014 were £15,809,903 (2013: £2,842,365). Fees receivable at 31 December 2014 were £231,181 (2013: £Nil). Expenses outstanding at 31 December 2014 were £Nil (2013: £344,975), which were shown in creditors.

Fund raising expenses paid by Accel Partners Management LLP regarding Accel London IV L.P. fund, which are recoverable from the fund, were £Nil (2013: £222,209).

Loans and other debt due from members at 31 December 2014 and 31 December 2013 are shown in note 10.

19. Ultimate controlling party

The parent of the Company is Accel Europe Guernsey Limited. Accel Europe Guernsey Limited is controlled by one discretionary trust: The Max Trust.