

Registered number: OC303117

APAX PARTNERS LLP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



APAX PARTNERS LLP

CONTENTS

	Page
Members' Report	2 - 3
Independent Auditor's Report	4 - 6
Consolidated Income Statement	7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9 - 10
LLP Statement of Financial Position	11 - 12
Consolidated Statement of Changes in Equity	13
LLP Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 - 40

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 FOR THE YEAR ENDED 31 MARCH 2019

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 2019.

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.

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

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.

Events after the reporting period

There has been no events since the statement of financial position date which materially affect the position of the group.

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.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

APAX PARTNERS LLP

MEMBERS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

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:



A P Sillitoe
Designated member

Date: 24 July 2019

APAX PARTNERS LLP

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

Opinion

We have audited the financial statements of Apax Partners LLP ("the LLP") for the year ended 31 March 2019, 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 the 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 2019 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the members, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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, including the impact of Brexit, 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.

APAX PARTNERS LLP

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

Other information

The members are responsible for the other information, which comprises the members' 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.

We have nothing to report in this regard.

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.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 2, 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.

Auditors' 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.

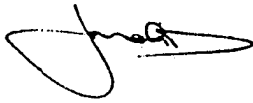
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

APAX PARTNERS LLP

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

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: 25/ 07/2019

APAX PARTNERS LLP

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £000	2018 £000
Turnover	4	163,652	161,117
Administrative expenses		(90,199)	(84,436)
Other operating income	5	19,504	11,385
Operating profit	6	<u>92,957</u>	<u>88,066</u>
Profit on disposal of tangible fixed assets		1	1
Interest receivable and similar income	9	3,144	43
Interest payable and similar charges	10	(68)	(2,724)
Profit before tax		<u>96,034</u>	<u>85,386</u>
Tax on profit	11	(3,427)	(5,684)
Profit for the year before members' remuneration and profit shares		<u>92,607</u>	<u>79,702</u>
Profit for the financial year attributable to:			
Non-controlling interests		1	8
Members of Apax Partners LLP		92,606	79,694
		<u>92,607</u>	<u>79,702</u>
Profit for the year before members' remuneration and profit shares		92,607	79,702
Members' remuneration charged as an expense		(42,334)	(34,078)
Non-controlling interests		(1)	(8)
Profit for the financial year available for discretionary division among members		<u>50,272</u>	<u>45,616</u>

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £000	2018 £000
Profit for the financial year		92,607	79,702
Other comprehensive income			
Gain/(Loss) on foreign currency translation	23	(1,248)	1,812
Total comprehensive income for the year		<u>91,359</u>	<u>81,514</u>
Profit for the year attributable to:			
Non-controlling interest		1	8
Owners of the parent LLP		92,606	79,694
		<u>92,607</u>	<u>79,702</u>
Total comprehensive income attributable to:			
Non-controlling interest		1	7
Owners of the parent LLP		91,358	81,507
		<u>91,359</u>	<u>81,514</u>

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	4,395	4,837
Investments	14	3	3
		<u>4,398</u>	<u>4,840</u>
Current assets			
Debtors	15	40,384	37,240
Cash at bank and in hand	16	21,935	29,694
		<u>62,319</u>	<u>66,934</u>
Creditors: amounts falling due within one year	17	(26,495)	(33,442)
Net current assets		<u>35,824</u>	<u>33,492</u>
Total assets less current liabilities		<u>40,222</u>	<u>38,332</u>
Creditors: amounts falling due after more than one year	18	-	(774)
Provisions for liabilities			
Other provisions	21	(13,514)	(3,986)
		<u>(13,514)</u>	<u>(3,986)</u>
Net assets		<u><u>26,708</u></u>	<u><u>33,572</u></u>

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

	Note	2019 £000	2018 £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	25,660	31,264
		<u>26,913</u>	<u>32,517</u>
Members' other interests			
Members' capital classified as equity	23	55	55
Other Reserves	23	(260)	988
		<u>(205)</u>	<u>1,043</u>
Non-controlling interest		-	12
		<u>26,708</u>	<u>33,572</u>
Total members' interests			
Loans and other debts due to members	22	26,913	32,517
Members' other interests	23	(205)	1,043
		<u>26,708</u>	<u>33,560</u>

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



A P Sillitoe
Designated member

Date: 24 July 2019

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	2,823	2,940
Investments	14	3,045	2,073
		<u>5,868</u>	<u>5,013</u>
Current assets			
Debtors	15	32,449	30,075
Cash at bank and in hand	16	11,783	19,725
		<u>44,232</u>	<u>49,800</u>
Creditors: amounts falling due within one year	17	(27,092)	(32,647)
Net current assets		<u>17,140</u>	<u>17,153</u>
Total assets less current liabilities		<u>23,008</u>	<u>22,166</u>
Provisions for liabilities			
Other provisions	21	(12,627)	(2,281)
		<u>(12,627)</u>	<u>(2,281)</u>
Net assets		<u><u>10,381</u></u>	<u><u>19,885</u></u>

APAX PARTNERS LLP
REGISTERED NUMBER:OC303117

LLP STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

	Note	2019 £000	2018 £000
Represented by:			
Loans and other debts due to members within one year	22		
Members' capital classified as a liability		1,253	1,253
Other amounts		9,073	18,577
		<u>10,326</u>	<u>19,830</u>
Members' other interests	23		
Members' capital classified as equity		55	55
		<u>10,381</u>	<u>19,885</u>
Total members' interests			
Loans and other debts due to members	22	10,326	19,830
Members' other interests	23	55	55
		<u>10,381</u>	<u>19,885</u>

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



A P Sillitoe
Designated member

Date: 24 July 2019

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP

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

	Members capital (classified as equity)	Other reserves	Equity attributable to members	Non- controlling interests	Total equity
	£000	£000	£000	£000	£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	<u>55</u>	<u>(260)</u>	<u>(205)</u>	<u>-</u>	<u>(205)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Members capital (classified as equity)	Other reserves	Equity attributable to members	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000
At 1 April 2017	55	(824)	(769)	5	(764)
Profit for year for discretionary division among members	-	45,616	45,616	8	45,624
Profit on foreign currency translation	-	1,812	1,812	(1)	1,811
Allocated profit	-	(45,616)	(45,616)	-	(45,616)
At 31 March 2018	<u>55</u>	<u>988</u>	<u>1,043</u>	<u>12</u>	<u>1,055</u>

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP

**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 40 form part of these financial statements.

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Members capital (classified as equity) £000	Other reserves £000	Total equity £000
At 1 April 2017	55	-	55
Profit for year for discretionary division among members	-	54,481	54,481
Allocated profit	-	(54,481)	(54,481)
At 31 March 2018	55	-	55

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the financial year	92,607	79,702
Adjustments for:		
Depreciation of tangible assets	1,399	1,552
Loss/(Profit) on disposal of tangible fixed assets	60	(1)
Interest receivable and other similar income	(3,144)	(43)
Interest payable and other similar charges	68	2,724
Taxation charge	3,427	5,684
Movements in debtors	869	12,110
Movements in amounts owed by affiliated undertakings	(2,576)	10,433
Movements in creditors	2,494	(19,053)
Movements in amounts owed to affiliated undertakings	(6,696)	(3,264)
Movements in provisions	9,528	(1,926)
Corporation tax (paid)	(6,726)	(6,928)
Net cash generated from operating activities before transactions with members	<u>91,310</u>	<u>80,990</u>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	-	1
Purchase of tangible fixed assets	(882)	(2,389)
Interest received	93	43
Net cash from investing activities	<u>(789)</u>	<u>(2,345)</u>
Cash flows from financing activities		
Interest paid	(68)	(33)
Members' drawings	(98,212)	(83,158)
Net cash used in financing activities	<u>(98,280)</u>	<u>(83,191)</u>
Net (decrease) in cash and cash equivalents	<u>(7,759)</u>	<u>(4,546)</u>
Cash and cash equivalents at beginning of year	29,694	34,240
Cash and cash equivalents at the end of year	<u>21,935</u>	<u>29,694</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	21,935	29,694
	<u>21,935</u>	<u>29,694</u>

The notes on pages 16 to 40 form part of these financial statements.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 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. Accordingly, management accounts and financial statements made up to 31 March are used for such undertaking.

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.

2.2 Turnover

Turnover represents fees receivable from investment advisory and transaction related services provided to private equity funds during the year. It is recognised to the extent that 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 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	-	10%
Fixtures and fittings	-	20%
Office and computer equipment	-	50%

Assets under construction represent acquired leasehold improvements, computer software licenses, computer hardware and directly attributable consultancy fees incurred in the period to bring the asset into working condition for 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 tangible 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.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Operating leases: lessee

Rentals paid under operating leases are charged to the Consolidated Income Statement on a straight line basis over the lease term.

2.6 Operating leases: lessor

Rentals received under operating leases are credited to the Consolidated Income Statement on a straight line basis over the period of the lease.

2.7 Cash

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

2.8 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the income statement 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 2019

4. TURNOVER

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

5. OTHER OPERATING INCOME

	2019 £000	2018 £000
Profit on sale of investment	82	73
Rental income	3,768	3,078
Other income	15,654	8,234
	<u>19,504</u>	<u>11,385</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2019 £000	2018 £000
Depreciation of tangible fixed assets	1,399	1,552
Fees payable to the group's auditor and its associates for the audit of the LLP's annual financial statements	78	77
- The audit of the group's subsidiaries	201	222
- non-audit services	159	133
Other operating lease rentals	9,192	9,423
Defined contribution pension cost	1,175	1,099
Provisions (note 21)	8,726	(1,926)
Loss on sale of tangible fixed assets	60	-
	<u>60</u>	<u>-</u>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. EMPLOYEES

Staff costs were as follows:

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Wages and salaries	48,141	45,440	-	-
Social security costs	3,425	3,130	-	-
Cost of defined contribution pension scheme	1,175	1,099	-	-
	<u>52,741</u>	<u>49,669</u>	<u>-</u>	<u>-</u>

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

	2019 No.	2018 No.
Employees	<u>238</u>	<u>224</u>

The entity has no employees other than the members, who did not receive any remuneration (2018 - £NIL)

8. INFORMATION IN RELATION TO MEMBERS

	2019 Number	2018 Number
The average number of members during the year was	<u>39</u>	<u>39</u>
	2019 £000	2018 £000
The amount of profit attributable to the member with the largest entitlement was	<u>6,868</u>	<u>8,304</u>

The highest paid member is determined by their profit allocation.

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Other interest receivable	90	43
Foreign exchange gains	3,054	-
	<u>3,144</u>	<u>43</u>

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Bank interest payable	51	33
Bank charges	17	57
Foreign exchange losses	-	2,634
	<u>68</u>	<u>2,724</u>

11. TAXATION

	2019 £000	2018 £000
CORPORATION TAX		
Current tax on profits for the year	855	371
Adjustments in respect of previous periods	(696)	(827)
Foreign tax on income for the year	3,289	6,151
DEFERRED TAX		
Origination and reversal of timing differences	(56)	(15)
Changes to tax rates	35	4
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>3,427</u>	<u>5,684</u>

Factors affecting tax charge for year

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

	2019 £000	2018 £000
Profit on ordinary activities before tax	96,034	85,386
Members' remuneration charged as an expense	(42,334)	(34,078)
Profit of the LLP entity	(46,655)	(54,481)
Profit/(loss) of subsidiary undertakings before tax	<u>7,045</u>	<u>(3,173)</u>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £000	2018 £000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,339	(603)
Effects of:		
Effect of tax rates in foreign jurisdiction	1,077	2,837
Reduction in tax rate on deferred tax balances	35	3
Expenses not deductible for tax purposes	176	293
Tax exempt revenues	1,353	2,997
(Over)/under provided in prior years	(696)	(827)
Effects of double tax relief	(98)	(146)
Current year losses for which no deferred tax asset was recognised	-	1
Gain on disposal of investments	(16)	(14)
Foreign tax suffered	196	403
Capital allowances for year in excess of depreciation (deferred tax not provided)	(9)	(13)
Short term timing differences (deferred tax not provided)	70	753
Total tax charge for the year	3,427	5,684

A reduction in the UK corporation tax rate to 19% from 1 April 2017 was substantively enacted in November 2015. A further reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted in September 2016.

12. 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 £46,655,000 (2018 - £54,481,000).

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Assets under construction £000	Total £000
COST OR VALUATION					
At 1 April 2018	13,412	2,174	3,560	-	19,146
Additions	33	68	400	381	882
Disposals	(60)	(29)	(94)	-	(183)
Exchange adjustments	272	129	74	-	475
At 31 March 2019	13,657	2,342	3,940	381	20,320
DEPRECIATION					
At 1 April 2018	10,421	1,416	2,472	-	14,309
Charge for the year on owned assets	552	140	707	-	1,399
Disposals	-	(29)	(94)	-	(123)
Exchange adjustments	192	88	60	-	340
At 31 March 2019	11,165	1,615	3,145	-	15,925
NET BOOK VALUE					
At 31 March 2019	2,492	727	795	381	4,395
At 31 March 2018	2,991	758	1,088	-	4,837

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. 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 2018	8,748	136	1,821	-	10,705
Additions	3	19	323	381	726
At 31 March 2019	8,751	155	2,144	381	11,431
DEPRECIATION					
At 1 April 2018	6,679	6	1,080	-	7,765
Charge for the year on owned assets	353	27	463	-	843
At 31 March 2019	7,032	33	1,543	-	8,608
NET BOOK VALUE					
At 31 March 2019	1,719	122	601	381	2,823
At 31 March 2018	2,069	130	741	-	2,940

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. FIXED ASSET INVESTMENTS

Group

	Other fixed asset investments £000
Cost	
At 1 April 2018	21
	<hr/>
At 31 March 2019	21
	<hr/>
IMPAIRMENT	
At 1 April 2018	18
	<hr/>
At 31 March 2019	18
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 March 2019	3
	<hr/>
At 31 March 2018	3
	<hr/>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

14. FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Direct Investments

Name	Country of incorporation	Class of shares	Holding	Principal activity
Apax Partners Worldwide Holdings Limited	England & Wales	Ordinary	100 %	Investment advisory Intermediate holding company
Apax Partners US Holdings Limited	England & Wales	Ordinary	100 %	Investment advisory
Apax Partners Hong Kong Limited	Hong Kong	Ordinary	100 %	Investment advisory

Indirect Investments

Name	Country of incorporation	Class of shares	Holding	Principal activity
Apax Partners Holdings Limited	England & Wales	Ordinary	100 %	Intermediate holding company
Apax Partners UK Limited	England & Wales	Ordinary	100 %	Investment advisory
Apax Partners Fund Services Limited	England & Wales	Ordinary	100 %	Fund administration Intermediate holding company
Apax Partners Inc	USA	Equity	100 %	Intermediate holding company
Apax Partners LLC	USA	Equity	100 %	Intermediate holding company
Apax Partners LP	USA	Ordinary	100 %	Investment advisory
Apax Partners Israel Limited	Israel	Ordinary	100 %	Investment advisory
Apax Partners India Advisers Private Limited	India	Equity	100 %	Investment advisory
Apax Investment Management (Shanghai) Company Limited*	China	Equity	100 %	Investment advisory
Apax Partners Beteiligungsberatung GmbH	Germany	Ordinary	100 %	Investment advisory
Apax Partners Brasil Consultoria Limitada**	Brazil	Quotas	0 %	Investment advisory
Apax Partners Limited Employees Benefit Trust	Jersey	N/a	0 %	Employee benefit trust

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

** Apax Partners Brasil Consultoria Limitada was dissolved on 31 January 2019.

The registered addresses of the subsidiary undertakings of the LLP are detailed in Note 28.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

14. FIXED ASSET INVESTMENTS (CONTINUED)

LLP

Investments
in subsidiary
companies
£000

COST OR VALUATION

At 1 April 2018	2,073
Additions	972
At 31 March 2019	<u>3,045</u>

NET BOOK VALUE

At 31 March 2019	<u>3,045</u>
At 31 March 2018	<u>2,073</u>

15. DEBTORS

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Amounts falling due after one year				
Deferred tax asset (see note 20)	201	178	-	-
Amounts falling due within one year				
Trade debtors	1,616	725	1,109	589
Amounts owed by group companies	-	-	513	1,353
Amounts owed by affiliated undertakings	23,597	21,021	22,826	20,120
Other debtors	6,111	2,570	2,265	961
Prepayments and accrued income	7,549	12,422	5,736	7,052
Deferred taxation (see note 20)	334	324	-	-
Financial instruments	976	-	-	-
	<u>40,384</u>	<u>37,240</u>	<u>32,449</u>	<u>30,075</u>

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

16. CASH AND CASH EQUIVALENTS

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Cash at bank and in hand	21,935	29,694	11,783	19,725
	<u>21,935</u>	<u>29,694</u>	<u>11,783</u>	<u>19,725</u>

As at 31st March 2019, cash and cash equivalents includes an amount of £1,906,000 (2018 – £2,230,000) which is restricted. This represents a collateralised deposit provided by Apax Partners LP for the benefit of JRA Constructora E Incorporada Ltda, the landlord of Apax Partners Brasil Consultoria Limitada (£458,000). This restriction was removed during the year ended 31 March 2019 when the company was dissolved. Restricted cash also consists of collateral required to be held under the terms of certain contractual agreements. As at the 31 March 2019 this balance was £1,906,000 (2018 - £1,772,000).

17. CREDITORS: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Trade creditors	6,226	3,535	5,593	3,086
Amounts owed to group undertakings	-	-	17,399	19,003
Amounts owed to affiliated undertakings	1,691	8,387	-	6,690
Corporation tax	640	5,331	-	-
Other taxation and social security	547	722	-	-
Other creditors	2,005	2,602	88	1,233
Accruals and deferred income	15,386	12,610	4,012	2,635
Financial instruments	-	255	-	-
	<u>26,495</u>	<u>33,442</u>	<u>27,092</u>	<u>32,647</u>

18. CREDITORS: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000
Other creditors	-	774
	<u>-</u>	<u>774</u>

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. FINANCIAL INSTRUMENTS

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	21,935	29,694	11,783	19,725
Financial assets that are debt instruments measured at amortised cost	29,649	34,244	37,605	24,623
Derivative financial instruments measured at fair value through profit or loss	976	-	-	-
	<u>52,560</u>	<u>63,938</u>	<u>49,388</u>	<u>44,348</u>
FINANCIAL LIABILITIES				
Derivative financial instruments measured at fair value through profit or loss	-	(255)	-	-
Financial liabilities measured at amortised cost	(24,205)	(28,630)	(35,627)	(32,647)
	<u>(24,205)</u>	<u>(28,885)</u>	<u>(35,627)</u>	<u>(32,647)</u>

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

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, amounts owed by affiliated undertakings, other debtors and accrued income.

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

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 2019

20. DEFERRED TAXATION

Group

	2019 £000	2018 £000
At 1 April	502	540
(Charged)/credited to profit and loss account	33	(38)
At 31 March	535	502

The deferred tax asset is made up as follows:

	Group 2019 £000	Group 2018 £000
Accelerated capital allowances	119	93
Arising on accrued pension costs	-	10
Arising on accrued holiday	400	382
Other	16	17
	535	502

In addition to the deferred tax asset above, the LLP group has additional net non-trading loan relationship deficit arising in the UK of £260,292 (2018 - £261,429) that is available for offset indefinitely against non-trading loan relationship credits of future accounting periods; excess management expenses of £Nil (2018 - £6,063) available for offset and additional unrecognised excess of tax written down value over the net book value of qualifying assets of £446,988 (2018 - £545,120). 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 2019

21. PROVISIONS

Group

	Onerous lease £000	Management fee waiver £000	GP expenses £000	Office closure £000	Post employment liabilities £000	Total £000
At 1 April 2018	2,060	1,286	221	419	-	3,986
Charged/ (credited) to profit and loss account	(880)	10,161	(221)	(419)	85	8,726
Transfer from other creditors	-	-	-	-	775	775
Exchange adjustments	-	-	-	-	27	27
At 31 March 2019	1,180	11,447	-	-	887	13,514

LLP

	Onerous lease £000	Management fee waiver £000	GP expenses £000	Total £000
At 1 April 2018	2,060	-	221	2,281
Charged/(credited) to profit and loss account	(880)	11,447	(221)	10,346
At 31 March 2019	1,180	11,447	-	12,627

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 2019 is £1,180,000 (2018 - £2,060,000).

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 2019 represents the timing difference between amounts deducted from advisory fees received and deductions made from compensation paid to participants in the MFW program.

Post-employment liabilities

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

APAX PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. LOANS AND OTHER DEBTS DUE TO MEMBERS

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Members capital treated as debt	1,253	1,253	1,253	1,253
Amounts due to members	25,660	31,264	9,073	18,577
	<u>26,913</u>	<u>32,517</u>	<u>10,326</u>	<u>19,830</u>

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

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Falling due within one year	26,913	32,517	10,326	19,830
	<u>26,913</u>	<u>32,517</u>	<u>10,326</u>	<u>19,830</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 2019

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					31,264	31,264	
Balance at 31 March 2018	55	988	1,043	1,253	31,264	32,517	33,560
Members' remuneration charged as an expense	-	-	-	-	42,334	42,334	42,334
Profit for the year available for discretionary division among members	-	50,272	50,272	-	-	-	50,272
Members' Interests after profit for the year	55	51,260	51,315	1,253	73,598	74,851	126,166
Profit allocation	-	(50,272)	(50,272)	-	50,272	50,272	-
Gains on foreign currency translation	-	(1,248)	(1,248)	-	-	-	(1,248)
Drawings	-	-	-	-	(56,159)	(56,159)	(56,159)
Drawings made through subsidiaries	-	-	-	-	(42,051)	(42,051)	(42,051)
Amounts due to members					25,660	25,660	
Balance at 31 March 2019	55	(260)	(205)	1,253	25,660	26,913	26,708

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23. RECONCILIATION OF MEMBERS' INTERESTS (LLP)

	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					18,577	18,577	
Balance at 31 March 2018	55	-	55	1,253	18,577	19,830	19,885
Profit for the year available for discretionary division among members	-	46,655	46,655	-	-	-	46,655
Members' Interests after profit for the year	55	46,655	46,710	1,253	18,577	19,830	66,540
Profit allocation	-	(46,655)	(46,655)	-	46,655	46,655	-
Drawings	-	-	-	-	(56,159)	(56,159)	(56,159)
Amounts due to members					9,073	9,073	
Balance at 31 March 2019	55	-	55	1,253	9,073	10,326	10,381

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 2019

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 £1,249,000 to staff pensions in the year (2018 - £1,295,000). At the year end a total amount of £592,000 (2018 - £228,000) was payable and is included in creditors.

26. OPERATING LEASE ARRANGEMENTS

Group and LLP as lessee

At 31 March 2019 the Group and the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000	LLP 2019 £000	LLP 2018 £000
Not later than 1 year	9,208	9,025	5,225	5,225
Later than 1 year and not later than 5 years	38,012	37,445	20,900	20,900
Later than 5 years	4,176	12,021	-	5,225
	<u>51,396</u>	<u>58,491</u>	<u>26,125</u>	<u>31,350</u>

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

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

26. OPERATING LEASE ARRANGEMENTS (CONTINUED)

Group and LLP as lessor

At 31 March 2019 the group and the LLP had contracted with tenants for the following future minimum lease payments as follows:

	2019 £000	2018 £000
Not later than 1 year	3,179	2,527
Later than 1 year and not later than 5 years	13,311	13,616
Later than 5 years	-	3,060
	<u>16,490</u>	<u>19,203</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.

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, of which £129,088 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 37,005,193, Buy GBP 33,200,000 (2018: Sell Euro 12,747,038, Buy GBP 11,000,000).

Guarantees

At 31 March 2019 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 £468,247 (\$610,360). No amounts have been recognised in the financial statements in relation to this guarantee.
- 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. No amounts have been recognised in the financial statements in relation to these guarantees as at 31 March 2019.

APAX PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

GUARANTEES AND OTHER FINANCIAL COMMITMENTS (CONTINUED)

Contingent liabilities

At 31 March 2019 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 2019, 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. SUBSIDIARY UNDERTAKINGS

The registered offices of the subsidiary undertakings of the company are as follows:

Name	Registered office
Apax Partners Worldwide Holdings Limited	33 Jermyn Street, London, SW1Y 6DN
Apax Partners US Holdings Limited	33 Jermyn Street, London, SW1Y 6DN
Apax Partners Hong Kong Limited	16/F Nexxus Building, 41 Connaught Road, Central, Hong Kong
Apax Partners Holdings Limited	33 Jermyn Street, London, SW1Y 6DN
Apax Partners UK Limited	33 Jermyn Street, London, SW1Y 6DN
Apax Partners Fund Services Limited	33 Jermyn Street, London, SW1Y 6DN
Apax Partners Inc	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States
Apax Partners LLC	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States
Apax Partners LP	601 Lexington Avenue, 53rd Floor, New York, NY, 10022, United States
Apax Partners Israel Limited	4 Berkowitz St., Tel Aviv, 64238, Israel
Apax Partners India Advisers Private Limited	6th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai, 400 013
Apax Investment Management (Shanghai) Company Limited	100 Century Avenue, Pudong New District, 200120, Shanghai, China
Apax Partners Beteiligungsberatung GmbH	Theatinerstr. 3, 80333, Munich, Germany
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.