

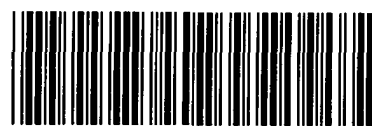
IK INVESTMENT PARTNERS LIMITED

Directors' report and financial statements

for the year ended 31 December 2021

Registered number: 02763049

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IK Investment Partners Limited

Directors' report and financial statements

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IK Investment Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Incorporation

The company was incorporated in England on 9 November 1992.

Activities and Results

The company provides advisory services in connection with private equity investments and buy-outs to the AIFM's and General Partners of the IK family of funds, IK Investment Partners AIFM Sarl, IK VII Limited and IK VIII Limited.

The company is regulated by the Financial Conduct Authority.

Dividends and transfer to reserves

During the year, the company paid dividends of EUR 21,915,000 (2020: EUR 18,150,000), as analysed below.

	2021 EUR	2020 EUR
Retained profit brought forward	21,207,617	6,071,152
Profit for the year	31,432,460	33,286,465
Final dividends declared and paid during the year	(21,915,000)	(18,150,000)
Retained profit carried forward	<u>30,725,077</u>	<u>21,207,617</u>

Directors and directors' interests

The directors have no direct interests in the shares of the Company. However, by virtue of their position as shareholders of IK Investment Partner Sarl, they have an indirect interest in the capital of the Company.

The directors who held office during the year and subsequently are as follows:

Christopher Masek
James Yates
Alice Langley
Thomas Salmon (appointed 20th January 2021)

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

IK Investment Partners Limited

Going Concern

After reviewing the Company's performance projections, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. Whilst there are market uncertainties arising from political instability, the Directors do not believe this will significantly impact the liquidity of the Company for the next 12 months from date of signing. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Streamlined energy and carbon reporting

IK Investment Partners Ltd occupy office space alongside several other companies in a shared building facility located in London. The energy we consume is routed through three recording meters. In 2021, we used 87,628 KWh, equivalent to 20,430 kg of CO2 equivalents (using a conversion factor of 0.23kg per KWh as recommended by the UK Department for Business, Energy and Industrial Strategy).

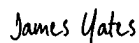
Charitable donation

On 14 December, the Company made a donation of EUR 200,000 (2020: EUR 200,000) to IK Aid and Relief Enterprises Limited, a charitable organisation. The company recognises IK Aid and Relief Enterprises Limited as a related party due to a shared Directorship.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board



James Yates
Director
Date: 28 March 2022
The Adelphi,
1-11 John Adam Street,
London,
England WC2N 6HT

IK Investment Partners Limited

Strategic Report

The Company made a profit after taxation of EUR 31,432,460 for the year ended 31 December 2021 (2020: EUR 33,286,465). Shareholders equity is EUR 34,440,077 (2020: EUR 24,922,617), a dividend of EUR 21,915,000 (2020: EUR 18,150,000) was paid.

IK Investment Partners Ltd has a continual ongoing strategy of providing advice in relation to private equity investments and leveraged buy-outs to the IK family of Funds. Profit in 2021 was lower than 2020 despite an increase in revenue as per the anticipated lifecycle of IK funds. The increase in costs are attributable to the continued group wide expansion of its employee base which impacts the Company via its own staff cost and via its transfer pricing arrangements with fellow subsidiaries. The current year upturn in revenue was forecast and follows a relatively normal revenue curve for the company when considering the lifecycle of funds. Profit in 2022 is expected to grow in line with the Group's strategic forecast. Investment opportunities in 2021 were buoyant despite the background of the global pandemic and more opportunities in both the buy and sell side are expected in 2022. The significant issues facing the Company are as follows:

1) Economic Outlook

There is a risk that global economic growth will slow in 2022. Continuing global economic uncertainty arising from debt issues and political instability could reduce the opportunities for the Company to advise on transactions.

The Directors are confident the global recovery from the Covid 19 pandemic is underway. In the short term the Company's revenue from advisory services should be relatively stable and the activity of the Company should continue unaffected. Additionally, the Directors acknowledge the growing political uncertainty arising from the Ukraine crisis and will actively continue to monitor the medium and longer term implications as the global situation evolves. Whilst neither IK or the IK Funds have a direct exposure, it is not possible to accurately determine the economic risk at this time.

2) Human Resources

There is a risk that professional staff are attracted to either different segments of the financial services industry or to different industry sectors entirely, be it geographical through more attractive jurisdictions to operate businesses than the UK, or through potentially more attractive opportunities. The Company continually monitors the employment incentives offered to staff, financial and non-financial, to ensure ongoing industry competitiveness.

3) Regulations

The Company's Compliance officer and senior management have and continue to assess the impact of the new regulations on the Company and take appropriate actions to ensure full compliance. Any further changes and layering of the current regulatory environment will also be assessed to determine the financial, operational and administrative impact on the business.

4) Foreign Exchange

The Company receives its income in EUR and therefore has exposure to foreign currency payments in the form of the British Pound and to a lesser extent the Swedish Krona. In the event that the Euro weakens against either of these currencies the profit for the Company will be lower. The Company's principal strategy for managing this risk is to hedge both currencies on a rolling basis.

The Directors believe the Company is well positioned to take advantage of the opportunities to advise on new transactions in relation to the IK family of funds for the foreseeable future.

IK Investment Partners Limited

Strategic Report continued

5) Section 172 Statement

This section describes how we engage with and regard the interests of our key stakeholders when exercising our duty under section 172(1) of the Companies Act 2006. The principles underpinning section 172 are embedded in our Company's culture. The Directors continually seek to understand the needs of our stakeholders and carefully consider them within the decision-making process.

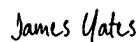
We consider our key stakeholders to be our employees, the AIFM's of the IK Funds and our regulator, the FCA. Their views and needs are forefront in our decision-making process, and we seek to actively engage with them by various methods.

Our employees are our most valuable asset. We engage via numerous ways including regular firm wide and business specific conference events where we discuss our own strategy and the latest industry issues. We constantly review our remuneration and workplace policies to ensure we can continue to attract and retain the highest calibre employees. The Directors are present in the annual review meetings and the Company has Director level representation on the group HR Steering Committee.

The Directors maintain a close and constructive relationship with the AIFM's of the IK Funds to achieve consistent and long term returns for IK Fund investors. The Directors encourage open discussion with the AIFM and leverage the experience of non-executive directors to ensure that interests are aligned. The Directors understand that the long-term health of the AIFM's is essential to the Company's success.

The Directors regularly considers how the Company meets various regulatory and statutory obligations and follows voluntary and best practice guidance whilst being mindful of how any governance decisions taken might affect the Company's stakeholders in the short and long term. The Directors receive reports from the AIFM's and in house Compliance resources in respect of their regulatory compliance and any inspections or reviews commissioned by regulatory bodies.

By order of the board



James Yates

Director

Date: 28 March 2022

The Adelphi, 1-11 John Adam Street, London, WC2N 6HT

IK Investment Partners Limited

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

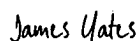
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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 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 company and of the profit or loss of the company 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 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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 company and to prevent and detect fraud and other irregularities.



James Yates
Director
Date: 28 March 2022
The Adelphi,
1-11 John Adam Street,
London, WC2N 6HT

Independent auditor's report to the members of IK Investment Partners Limited

Opinion

We have audited the financial statements of IK Investment Partners Limited (the 'company') for the year ended 31 December 2021, which comprise the Income statement, Statement of financial position, the Statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they

give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were applicable Financial Services and Markets Act 2000 (FSMA 2000) legislation and those that relate to the financial reporting framework, being United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006, together with UK tax legislation;
- We enquired of the directors and management including compliance to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board and compliance meetings, inspection of the complaints register and breaches register, inspection of legal and regulatory correspondence and reports to the regulator the FCA;

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the rules and interpretative guidance issued by the Financial Conduct Authority; and
 - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
28 March 2022

IK Investment Partners Limited

Income statement for the year ended 31 December 2021

	Note	2021 EUR	2020 EUR
Turnover from continuing operations	2	116,596,358	109,046,736
Administrative expenses	3	(78,691,134)	(68,510,344)
Operating profit on ordinary activities	4	37,905,224	40,536,392
Interest receivable and similar income	7	-	522
Interest payable and similar charges	8	(35)	(34)
Unrealised loss on financial instruments	21	(67,082)	(276,542)
Dividends received		915,000	500,000
Profit on ordinary activities before taxation		38,753,107	40,760,338
Tax on ordinary activities	9	(7,320,647)	(7,473,873)
Profit for the financial year		31,432,460	33,286,465

The notes on pages 16 to 26 form part of these financial statements.

The results for the current and prior periods are derived from continuing operations.

The Company has no recognised gains or losses other than those included in the income statement above.

There is no material difference between the profit on ordinary activities before taxation as reported and on an historical cost basis.

IK Investment Partners Limited

Statement of financial position at 31 December 2021

	Note	2021 EUR	2020 EUR
Fixed assets			
Investments	10	747,680	661,380
Tangible assets	11	217,604	381,714
		<u>965,284</u>	<u>1,043,094</u>
Current assets			
Debtors	12	44,788,387	36,257,962
Financial Instruments at fair value through profit and loss	21	175,702	197,852
Cash at bank		262,611	35,564
		<u>45,226,700</u>	<u>36,491,378</u>
Current liabilities			
Financial Instruments at fair value through profit and loss	21	(90,664)	(45,733)
Creditors and amounts falling due within one year	13	(11,661,243)	(12,566,122)
		<u>(11,751,907)</u>	<u>(12,611,855)</u>
Net current assets		<u>33,474,793</u>	<u>23,879,523</u>
Net Assets		<u>34,440,077</u>	<u>24,922,617</u>
Capital and reserves			
Called up share capital	14	3,715,000	3,715,000
Profit and loss account	16	30,725,077	21,207,617
Shareholders' funds	17	<u>34,440,077</u>	<u>24,922,617</u>

The notes on pages 16 to 26 form part of these financial statements.

These financial statements were approved by the board of directors on 28 March 2022 and were signed on its behalf by:

James Yates

James Yates

Director

Registered number: 02763049

IK Investment Partners Limited

Statement of changes in equity for the year ended 31 December 2021

	Called-up share capital EUR	Profit and loss account EUR	Total EUR
As at 1 January 2020	3,715,000	6,071,152	9,786,152
Profit for the financial year	-	33,286,465	33,286,465
Dividends paid	-	(18,150,000)	(18,150,000)
As at 31 December 2020	<u>3,715,000</u>	<u>21,207,617</u>	<u>24,922,617</u>
As at 1 January 2021	3,715,000	21,207,617	24,922,617
Profit for the financial year	-	31,432,460	31,432,460
Dividends paid	-	(21,915,000)	(21,915,000)
As at 31 December 2021	<u>3,715,000</u>	<u>30,725,077</u>	<u>34,440,077</u>

The notes on pages 16 to 26 form part of these financial statements.

IK Investment Partners Limited

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

i. Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The financial statements are being prepared on the historical cost basis, unless otherwise specified within these accounting policies with the functional and presentational currency of Euro.

The company is exempt under S400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The results of the Company and its subsidiary undertakings are included in the consolidated financial statements of IK Investment Partners Sarl, the company's ultimate parent undertaking.

Under FRS 102.1.12(b) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own consolidated financial statements which are publicly available.

ii. Going concern

After reviewing the Company's performance projections, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. The Directors are confident that the global recovery from the Covid-19 pandemic is underway and consider the potential implications on the future operations of the Company to be minimal. Whilst there are market uncertainties arising from political instability, the Directors do not believe this will significantly impact the liquidity of the Company for the 12 month period following the date of their report. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

iii. Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	5 years
Computer equipment	2 years
Leasehold Improvements	lower of remaining lease or, 10 years

iv. Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost, less any provision for impairment.

v. Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Statement of financial position date and the gains and losses on translation are included in the Income statement.

IK Investment Partners Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

vi. *Income*

Turnover comprises of fees receivable from investment advisory and transaction related services provided to private equity funds during the year and recognised as per the provisions of the advisory fee agreements with the various IK Funds.

Investment advisory fees are recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured.

Transaction fees are recognised upon the completion of an engagement upon which transaction services have been provided and can be reliably measured.

Total turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

vii. *Dividend income*

Dividend income is recognised once the right to entitlement is established.

viii. *Sunk costs and recharges*

Costs relating to acquisition targets are expensed in the month incurred. When a target is acquired, the related costs are reversed out of the profit and loss account and recharged. Any active deals as at the year end are recharged the following year once their status has been confirmed by the relevant investment team.

ix. *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 tax is provided in accordance with FRS 102.29 on all timing differences that have originated but not reversed by the balance sheet date, calculated at the latest corporation tax rate. Deferred tax assets are only recognised to the extent that they are recoverable.

x. *Operating leases*

Operating lease rentals are charged to the Income statement on a straight line basis over the period of the lease.

xi. *Debtors*

Debtors are recorded at their nominal value, net of any bad debt provision for amounts deemed irrecoverable. Such provisions are not continued if the circumstances behind the value adjustment ceases to apply.

xii. *Creditors*

Creditors are recorded at their reimbursement value.

xiii. *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits.

IK Investment Partners Limited

Notes to the financial statements (continued)

xiv. Derivative financial instruments

Derivative financial instruments (being forward foreign exchange contracts) are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately to the Income Statement.

2. Turnover from Continuing operations

	2021	2020
	EUR	EUR
Advisory fees	101,378,565	99,016,155
Transaction fees	15,217,793	10,030,581
	<u>116,596,358</u>	<u>109,046,736</u>

3. Administration Expenses

	2021	2020
	EUR	EUR
Advisory fees to sub-advisors	47,950,888	42,232,260
Professional fees	1,806,368	1,921,695
Bank charges	23,708	16,891
Staff costs	10,544,699	9,213,306
Deal costs	13,331,618	10,391,729
Other administration expenses	5,033,853	4,734,463
	<u>78,691,134</u>	<u>68,510,344</u>

4. Profit on Ordinary Activities Before Taxation

	2021	2020
	EUR	EUR
Profit on ordinary activities before taxation is stated	55,425	48,378
after charging auditor's remuneration		
Other non-audit costs charged by our auditors	7,755	6,900
	<u>63,180</u>	<u>55,278</u>

5. Staff numbers and costs

The average number of full-time persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2021	2020
	Number	Number
Investment professionals	15	13
Administration	29	25
	<u>44</u>	<u>38</u>

The aggregate payroll costs of these persons (including directors) were as follows:

	2021	2020
	EUR	EUR
Salaries and bonuses	8,334,560	7,659,169
Social security cost	1,055,387	994,338
Other pension costs (see note 15)	323,317	259,739
	<u>9,713,264</u>	<u>8,913,246</u>

IK Investment Partners Limited

Notes to the financial statements (continued)

6. Directors' remuneration

	2021	2020
	EUR	EUR
Directors' emoluments:		
Remuneration as executives	2,533,512	2,953,426
Directors' pension	17,993	22,035
	<u>2,551,505</u>	<u>2,975,461</u>

The emoluments of the highest paid director were EUR 865,056 (2020: EUR 907,262) including pension contributions of EUR 4,772 (2020: EUR 6,215).

7. Interest receivable and similar income

	2021	2020
	EUR	EUR
Interest on deposit	-	522

8. Interest payable and similar charges

	2021	2020
	EUR	EUR
Interest on overdraft	35	34

IK Investment Partners Limited

Notes to the financial statements (continued)

9. Tax

	2021	2020
	EUR	EUR
Current Tax:		
UK Corporation tax on profits for the year	7,341,019	7,814,013
Adjustment in respect of previous periods	36,330	(303,248)
Total current tax	7,377,349	7,510,765
Deferred tax:		
Origination and reversal of timing differences	(14,768)	(27,568)
Adjustment in respect of previous periods	(449)	-
Effect of changes in tax rates	(41,485)	(9,324)
Total Deferred Tax	(56,702)	(36,892)
Total tax per income statement	7,320,647	7,473,873

The charge for the year can be reconciled to the profit per the income statement as

Profit for the year	38,753,107	40,760,339
Tax on profit at UK standard tax of 19% (2020: 19%)	7,363,090	7,744,464
Effect of:		
Expenses not deductible	147,383	135,731
Income not taxable	(184,222)	(95,000)
Adjustment from previous periods	35,881	(303,248)
Tax rate changes	(41,485)	(9,324)
Depreciation on ineligible assets	-	1,250
Tax charge for the year	7,320,647	7,473,873

The corporation tax rate for the year was 19%. The UK corporation tax rate will increase from 19% to 25% from 1 April 2023. This change has been enacted at the balance sheet date and therefore the deferred tax assets and liabilities as at 31 December 2021 have been measured using the rates that would be expected to apply in the periods when the underlying timing differences, on which deferred tax is recognised, are expected to unwind.

IK Investment Partners Limited

Notes to the financial statements (continued)

10. Fixed asset investments

	2021 EUR	2020 EUR
IK Investment Partners GmbH	515,910	515,910
IK Investment Partners (Advisers) LLP	49,999	49,999
IK Investment Partners General Partner 2 LLP	126	126
IK Investment Partners B.V.	25,000	25,000
Industri Kapital International Ltd	70,345	70,345
IK Investment Partners LLC	86,300	-
	<u>747,680</u>	<u>661,380</u>

11. Tangible fixed assets

	Leasehold Improvements EUR	Computer Equipment EUR	Office Equipment EUR	Total EUR
Cost				
At 1 January 2021	845,978	275,764	402,605	1,524,347
Additions	-	70,710	79,077	149,787
Disposals	-	(44,447)	-	(44,447)
At 31 December 2021	<u>845,978</u>	<u>302,027</u>	<u>481,682</u>	<u>1,629,687</u>
Depreciation and diminution in value				
At 1 January 2021	640,827	222,698	279,108	1,142,633
Charge for the year	169,196	64,917	79,784	313,897
On disposals	-	(44,447)	-	(44,447)
At 31 December 2021	<u>810,023</u>	<u>243,168</u>	<u>358,892</u>	<u>1,412,083</u>
Net book value				
At 31 December 2021	<u>35,955</u>	<u>58,859</u>	<u>122,790</u>	<u>217,604</u>
At 31 December 2020	<u>205,151</u>	<u>53,066</u>	<u>123,497</u>	<u>381,714</u>

IK Investment Partners Limited

Notes to the financial statements (continued)

12. Debtors

	2021 EUR	2020 EUR
Trade debtors	5,828,536	2,196,592
Amounts owed by fellow group undertakings	37,621,947	32,452,067
Other debtors	2,437	18,985
Corporation tax asset	-	397,067
Deferred Tax	172,850	116,148
Prepayments and accrued income	1,162,617	1,077,103
	<u>44,788,387</u>	<u>36,257,962</u>

The deferred tax asset relates entirely to fixed asset timing differences.

13. Creditors: Amounts falling due within one year

	2021 EUR	2020 EUR
Amounts owed to fellow group undertakings	5,530,721	8,210,311
Corporation tax payable	858,103	-
Other tax and social security	1,820,705	1,726,775
Accruals and deferred income	883,483	1,216,330
Trade creditors	2,520,246	1,242,902
Other creditors	47,985	169,804
	<u>11,661,243</u>	<u>12,566,122</u>

14. Share capital

	2021 EUR	2020 EUR
2,500,000 allotted called up and fully paid ordinary shares of £1 each	<u>3,715,000</u>	<u>3,715,000</u>
	<u>3,715,000</u>	<u>3,715,000</u>

All shares are designated A class, each share has the right to 1 vote. Each share is entitled pari passu to dividend payments.

IK Investment Partners Limited

Notes to the financial statements (continued)

15. Pension scheme

During the year the company contributed EUR 323,317 (2020: EUR 259,739) to the personal pension plans of employees. The plans of the employees are not assets owned by the company.

16. Profit and loss account

	2021 EUR	2020 EUR
At 1 January	21,207,617	6,071,152
Profit for the year	31,432,460	33,286,465
Final dividends declared and paid during the year	(21,915,000)	(18,150,000)
At 31 December	<u>30,725,077</u>	<u>21,207,617</u>

17. Reconciliation of Movements in Shareholders' Funds

	2021 EUR	2020 EUR
Opening shareholders' funds	24,922,617	9,786,152
Profit for the year	31,432,460	33,286,465
Dividend paid during the year	(21,915,000)	(18,150,000)
Closing shareholders' funds	<u>34,440,077</u>	<u>24,922,617</u>

18. Related party transactions

The company forms part of the IK Investment Partners Group of companies whose ultimate holding company is IK Investment Partners Sarl. Details of related party transactions within the Group are set out below:

Advisory fees received

Company	Relationship	2021 EUR	2020 EUR
Industri Kapital 2007 Limited	Subsidiary	-	163,533
IK VII Limited	Subsidiary	6,819,781	10,819,774
IK VIII Limited	Subsidiary	18,385,435	18,842,660
IK Investment Partners AIFM Sarl	Fellow Subsidiary	76,173,350	69,190,188
		<u>101,378,566</u>	<u>99,016,155</u>

IK Investment Partners Limited

Notes to the financial statements (continued)

19. Related party transactions (continued)

Sub-advisory fees paid

Company	Relationship	2021 EUR	2020 EUR
IK Investment Partners Norden AB	Fellow subsidiary	10,411,079	9,635,169
IK Investment Partners SAS	Fellow subsidiary	16,840,787	14,234,922
IK Investment Partners APS	Fellow subsidiary	4,372,343	4,357,208
IK Investment Partners GmbH	Subsidiary	8,960,005	7,722,322
IK Investment Partners BV	Subsidiary	7,014,825	6,282,639
IK Investment Partners LLC	Subsidiary	351,849	-
		<u>47,950,888</u>	<u>42,232,260</u>

Amounts owed by group undertakings falling due within one year

Company	Relationship	2021 EUR	2020 EUR
IK Investment Partners Sarl	Parent	-	81,036
IK Investment Partners Lux Sarl	Fellow subsidiary	-	5,831
IK Investment Partners Finance Limited	Fellow subsidiary	32,328,355	23,567,933
IK Investment Partners AIFM Sarl	Fellow subsidiary	3,393,095	8,262,857
IK Investment Partners SAS	Fellow subsidiary	24,252	9,638
IK Investment Partners Norden AB	Fellow subsidiary	-	14,166
IK Investment Partners ApS	Fellow subsidiary	542,341	49,007
IK Investment Partners LLC	Subsidiary	112,072	-
IK Investment Partners B.V.	Subsidiary	698,997	10,470
IK Investment Partners GmbH	Subsidiary	14,502	7,688
Industri Kapital International Ltd	Subsidiary	-	3,143
IK VIII Limited	Subsidiary	126,862	149,731
IK VII Limited	Subsidiary	188,290	105,570
Industri Kapital 2007 Limited	Subsidiary	-	21,144
IK Investment Partners (Advisers) LLP	Subsidiary	193,181	163,853
		<u>37,621,947</u>	<u>32,452,067</u>

IK Investment Partners Limited

Notes to the financial statements (continued)

Amounts owed to group undertakings falling due within one year

Company	Relationship	2021 EUR	2020 EUR
IK Investment Partners Norden AB	Fellow subsidiary	2,742,822	3,510,511
IK Investment Partners SAS	Fellow subsidiary	1,918,059	648,067
IK Investment Partners ApS	Fellow subsidiary	5,696	147,124
IK Investment Partners AIFM Sarl	Fellow subsidiary	647,843	1,870,332
IK Investment Partners Finance Limited	Fellow Subsidiary	13,108	127,399
Industri Kapital 2007 Limited	Subsidiary	-	7,540
IK VIII Limited	Subsidiary	(35,261)	329,441
Industri Kapital International Limited	Subsidiary	1,157	-
IK Investment Partners B.V.	Subsidiary	145,527	433,208
IK Investment Partners GmbH	Subsidiary	91,644	1,123,293
IK Investment Partners GP 2 LLP	Subsidiary	126	126
IK Investment Partners Sarl	Parent	-	13,270
		<u>5,530,721</u>	<u>8,210,311</u>

On 14 December, the Company made a donation of EUR 200,000 (2020: EUR 200,000) to IK Aid and Relief Enterprises Limited, a charitable organisation. The company recognises IK Aid and Relief Enterprises Limited as a related party due to a shared Directorship.

20. Commitments

There are no capital commitments at the end of the financial period for which a provision has been made.

Annual commitments under non-cancellable operating leases are as follows:

	2021 EUR	2020 EUR
	Land and buildings	Land and buildings
Operating leases which expire:		
Within one year	789,113	732,228
In the second to fifth years inclusive	3,156,454	122,038
Over five years	197,278	-

The operating lease relating to the company's current premises expires 8th March 2027.

The company acts as guarantor for a facility agreement for EUR 10,000,000 in place between IK Investment Partners Sarl and SEB Stockholm. At 31 December 2021, an amount of EUR 6,779,332 has been drawn on the facility.

IK Investment Partners Limited

Notes to the financial statements (continued)

21. Financial instruments

At 31 December 2021 the Company held 20 Forward Foreign Exchange Contracts (FFECs) (2020: 20 FFECs) which were not designated for the purposes of hedge accounting, but were used to mitigate the currency effects on the Company's GBP and SEK denominated trading balances in respect of management fees and operating expenses.

The Company's contracts comprise:

Foreign currency	Foreign Currency 2021	Average Spot Price 2021	EUR 2021	Foreign Currency 2020	Average Spot Price 2020	EUR 2020
Great British Pound	6,633,840	1.1643	7,724,306	6,015,362	1.1244	6,764,051
Swedish Krona (SEK)	51,816,186	10.1118	5,124,324	50,111,162	10.4578	4,791,740

In the statement of financial position, these are analysed as follows:

	2021 EUR	2020 EUR
Current assets	175,702	197,852
Current liabilities	(90,664)	(45,732)
	85,038	152,120

In the statement of comprehensive income, these are analysed as follows:

	2021 EUR	2020 EUR
Unrealised loss on financial instruments	(67,082)	(276,542)

22. Post balance sheet events

The Directors are confident that the global recovery from the Covid 19 pandemic is underway. In the short term the Company's revenue from advisory services should be stable and the activity of the Company should continue unaffected. Additionally, the Directors acknowledge the growing political instability arising from the Ukraine crisis and will actively continue to monitor the medium and longer term implications as the global situation evolves.

There are no other post balance sheet events impacting the results of 2021.

23. Ultimate holding company

The results of the company are consolidated into the financial statements of the ultimate holding company, IK Investment Partners Sarl, a company incorporated in Luxembourg. A copy of the financial statements of IK Investment Partners Sarl can be obtained from the Luxembourg trade register.