

Registered number: 05662690
Charity number: 1112845

THE APAX FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

THE APAX FOUNDATION
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the year ended 31 December 2021

Trustees	Sir R M Cohen, Chairman R Haldea, Co-Chief Executive P D Englander, Co-Chief Executive S B Cresswell D N Marks M L Truwit S Singh J Wright R Mirica (appointed 15 July 2022)
Company registered number	05662690
Charity registered number	1112845
Registered office	33 Jermyn Street London SW1Y 6DN
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

THE APAX FOUNDATION

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TRUSTEES' REPORT

For the year ended 31 December 2021

The Trustees, who are also the Directors of The Apax Foundation ("the Charity"), present their annual report on the affairs of the Charity and its subsidiary Apax E Member Limited (together "the Group"), and the consolidated financial statements, for the year ended 31 December 2021. The Trustees confirm that the annual report and financial statements of the Company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Since the group and the Charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Apax Foundation is a Charitable Company limited by guarantee, incorporated on 23 December 2005 (Company number: 05662690) and registered as a Charity on 27 January 2006 (Charity number: 1112845). It was established under a Memorandum of Association which established the objectives and powers of the Charity and is governed under its Articles of Association. In the event of the Charity being wound up, members are required to contribute an amount not exceeding £10.

The Charity's subsidiary undertaking, Apax E Member Limited, was incorporated on 3 November 2005. The company's primary activity is to receive a profit share from Apax Partners LLP and to make donations to the Apax Foundation.

Trustees

The Directors of the Charity are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees listed on page 1 served throughout the year unless otherwise stated.

The Trustees of the Apax Foundation meet regularly to review the Charity's donations and grants. The quorum for each meeting is two Trustees or the number nearest to one third of the total number of Trustees, whichever is the greater.

Appointment of Trustees is governed by the Articles of Association of the Charity. The Board of Trustees is authorised to appoint new Trustees.

If the number of Trustees falls below three for any reason, the Trustees must take steps to bring the number up to at least three.

The Apax Foundation has nine trustees who each have one vote. In the event of an equality of votes, the Chairman of the meeting has a casting vote. The Trustees do not own shares and have no beneficial interest in the underlying income or assets of the Foundation. No Trustee has the right to terminate the membership of any other Trustee. The Trustees' opinion is that no person would be regarded as having significant control over at least 25% of the assets of the Company and accordingly, there is no one who needs to be entered into a Register of Persons with Significant Control.

The Trustees are encouraged to familiarise themselves with the Charity and the context within which it operates.

During the year, day-to-day management of the Charity was delegated to K Albert, the Apax Foundation Manager and J Hills.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties

Apax Partners LLP makes office space available to the Charity for its meetings. The Charity's Correspondent David Marks was a member of Apax Partners LLP until 31 December 2013.

The Charity holds carried interest shares in the Apax Europe VI, Apax Europe VII, Apax VIII, Apax IX, Apax X, AMI Opportunities, Apax Digital, Apax Digital II and Apax Credit Solutions funds. It also holds shares in Apax Global Alpha Limited, a Company quoted on the London Stock Exchange.

The funds are advised by Apax Partners LLP and Apax Partners LLP receives advisory fees from these funds. Apax Partners LLP also receives advisory fees from Apax Global Alpha Limited.

S Cresswell, R Haldea, S Singh, M Truwit, J Wright and R Mirica were members of Apax Partners LLP during the year ended 31 December 2021. Whilst members of Apax Partners LLP, the Trustees are able to benefit financially from the investment advisory activities of Apax Partners LLP, but not from the Charity itself

Risk management

The Trustees meet on a regular basis to consider risks facing the Charity. The Trustees ensure that for each risk identified:

- mitigation procedures are developed;
- responsibilities for implementation and review are assigned; and
- the status is monitored on a regular and timely basis.

The Charity has sufficient expendable funds to meet its foreseeable commitments and the risks associated with governance issues are considered to be low. The Trustees comprise senior investment professionals, a Chartered Accountant and an experienced lawyer. In addition, the Trustees obtain expert professional advice where appropriate.

The Charity funds its annual grant giving through a donation from Apax E Member Limited, which derives its income from Apax Partners LLP, and income from its liquid and unquoted investments. Income from liquid investments is derived from dividends from its investment in Apax Global Alpha Limited, and from funds held at Vanguard and Rothschild Wealth Management. Income from unquoted investments is principally from carried interest distributions. Continued receipt of these sources of revenue is not guaranteed and if they ceased, the Trustees would need to realise investments to continue the Charity's current level of annual grant giving.

The Trustees do not award grants before they have the certainty of cash resources available to them.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

OBJECTIVES AND ACTIVITIES

The Charity received a number of donations from Apax E Member Limited, which derives its profit as a member of Apax Partners LLP. The Charity does not seek donations from the general public.

Where reference is made in this report to the involvement of a member of the Apax team serving in a role for an organisation which is in receipt of grant funding from the Apax Foundation, the Apax team member does so voluntarily and without remuneration.

The Charity's objectives are:

- the relief of financial hardship, either generally or individually, of people living in socially and economically deprived areas in the United Kingdom and overseas through the provision of grants, goods or services;
- the advancement of education; and
- to further such other purposes which are charitable in accordance with the law of England and Wales as the Trustees think fit.

The Charity achieves its objectives through making grants to charitable organisations and social enterprises which work in the above areas. The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's objectives and grant-making policy. The Charity Trustees state they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

The Apax Foundation's Trustees review grant applications received from all charities which meet these criteria and grants are awarded on the basis of the Trustees' evaluation of: the charity's effectiveness in achieving its aims, the number of beneficiaries reached, the sustainability of the charity's programmes, the strength and stability of its management team and internal processes, and the long-term public benefits that would flow from the deployment of a grant from the Apax Foundation.

ACHIEVEMENTS AND PERFORMANCE

The Apax Foundation is a grant-giving body and has continued to focus the majority of its giving this year on charities and social enterprises whose work helps to stimulate social mobility and entrepreneurship or provides education in deprived communities. The intake and integration of refugees is one of the most pressing issues facing countries in the West and the Apax Foundation Trustees wished to support organisations in the UK working to help refugees into meaningful employment or entrepreneurship.

New grants

Action Covid19 Team / United Way of Bengaluru

The Apax Foundation responded to the unfolding health emergency in India with a one-time grant to ACT (Action Covid19 Team). ACT is a VC and PE-led collaborative initiative founded in the first wave of the Covid19 pandemic, with funds disbursed by United Way of Bengaluru. ACT brings entrepreneurial innovation to public delivery and ensures funds are directed to high impact solutions.

ACT's 'Oxygen for Everyone' programme identified demand for more than 200,000 oxygen concentrators across India and entered into partnerships to secure a steady supply of 40,000 concentrators. By May 2021, ACT had raised \$33m in funds from across the VC and PE industry and dispatched oxygen concentrators to 150 centres.

ACT's immediate priority was to deploy the oxygen concentrators; deployment of PSAs was the next step. PSA plants generate oxygen by extracting it from the air and can cater to an entire medical facility. With PSA plants, ACT aims to build long-term capacity solutions to address the oxygen shortage. In the longer term, ACT plans to expand its efforts to support vaccination scale-up.

There was a widespread response from the Apax team to the emergency appeal for ACT and matching donations from the Foundation in support of their personal giving more than doubled the original grant.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

Education Outcomes Fund

The Education Outcomes Fund (EOF) is a joint initiative of the Education Commission and the Global Steering Group for Impact Investment, who have created the EOF to improve learning outcomes for more than 10 million children and youth around the world, and drive sustained system change.

EOF aims to pool \$1 billion in aid and philanthropic funds, to support governments to pay for results in education and youth employment over the next decade. It partners with governments to strengthen education systems, harness the capacity and capability of non-state actors, improve the effectiveness of expenditure and help deliver on the promise of quality education for all.

The fund supports improvements in quality in three focus areas: early childhood education; basic education; and Technical and Vocational Education and Training (TVET) / skills for work. It seeks to ensure that no child is left behind, with a special focus on under-served populations, including the hardest to reach rural populations, girls, children with disabilities, and refugees. It measures (and pays for) both core skills like literacy and numeracy, but also critical 21st-century skills such as socioemotional skills, ICT skills, and other broader fundamentals of quality education and employment. It helps close the persistent gap between the skills needed by employers and those attained by young people entering the employment market.

For all the above, EOF pays almost entirely on the basis of the outcomes achieved, ensuring that taxpayer-funded domestic resources, aid, and philanthropic funds are only used to pay for what works. This way of financing results in education aligns the system around a common, agreed set of outcomes. Where appropriate, impact investors provide upfront finance through an 'impact bond', or other instruments, to support programme improvements, and bear the financial risk as to whether or not a programme delivers results.

EOF is hosted as an independent trust fund at UNICEF. EOF retains full operational and programmatic independence, with UNICEF providing procurement, legal, fund management and administrative support. This partnership helps to establish outcomes financing as one of the routes to address the global learning crisis, by aligning incentives around outcomes, fostering innovation and flexibility in service delivery, and attracting new sources of capital to promote better learning outcomes for young people.

Sir Ronald Cohen is the chairman of the board of the Global Steering Group for Impact Investment.

EOF plans to raise c \$170m of total outcomes and programme funding and achieve financial sustainability for its core programme delivery work by the end of 2023 through funding commitments from partners including host governments, multilateral development institutions, bilateral partnerships, foundations, and philanthropists.

The Apax Foundation trustees approved a new, 3-year grant to EOF as part of our social mobility programme.

Grant renewals

Breaking Barriers

Breaking Barriers' vision is that every refugee in London can fulfil their potential and integrate into their new home through employment that matches their skills, experience and desire to work. A key problem refugees face is that, once they have received refugee status, they are transferred to local Councils which are not equipped to deal with their needs.

Based in East London / Clapham, Breaking Barriers works on addressing the key barriers that refugees face when entering the workforce. The charity provides (i) advice and guidance on job search and CV preparation; (ii) communication and presentation skills training; (iii) orientation to UK workplace culture and English language classes. Appropriate candidates who have been through the customised programme are then selected for work placements and job opportunities brokered directly with corporate partners such as Ikea and Mishcon de Reya.

The Apax Foundation has supported Breaking Barriers since 2017 and Andrew Waidhofer, a Principal at Apax, joined the board in 2021. Apax has also provided introductions to current and former Apax Funds portfolio companies to provide placements for graduates from Breaking Barriers' training programmes.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

Breaking Barriers has historically delivered strong growth in the number of clients supported year on year, with a total of 1,045 people of refugee background accessing its services since its inception in 2014. The Covid-19 pandemic impacted the charity in two main ways: 1) they had to deal with office closures during the UK lockdown period, and 2) a loss of c.£100k of income as a result of staff time lost and cancelled events. The management team reacted quickly to maintain services to clients. All of Breaking Barriers' services moved to operate remotely and the charity is developing a digital support package to ensure access to online tools for clients less able to use technology.

Given the client demand and opportunity afforded by the success of delivering services online, Breaking Barriers are evaluating branching out beyond London into other UK cities, such as Birmingham / Manchester.

The Apax Foundation Trustees approved a grant increase to Breaking Barriers as part of our social mobility programme.

Fundacion Acción Social por la Música (FASM)

Inspired by El Sistema in Venezuela, Fundacion Acción Social por la Música (FASM) is a registered charity in Spain, founded in 2012 to use music as a tool to transform vulnerable children's lives. FASM's core activity is the collective practice of music to improve children's social development. It works with refugees and migrants as well as native Spaniards, and has two core programmes:

- 1) Orchestras, Choirs and Percussion Ensembles for children aged 6-17 drawn from the most deprived schools in Madrid. They practice between 7-10 hours a week and have the opportunity to perform at prestigious venues in Madrid, such as the Royal Theatre, at the end of the academic-year. They also perform smaller-scale concerts throughout the year.
- 2) A Special Education Programme that focuses on children with special needs, such as autism, Down syndrome, cancer sufferers, as well as victims of terrorism and violence.

FASM provide the participants with musical instruments and teachers for free, and the charity's psychosocial team follows the children's development and collaborates with other social workers.

The charity has found that, through spending time in a safe environment, learning to play an instrument and participating in collective music making, outcomes for the children include: improved academic performance at school, improved self-esteem and self-control, improved language, communication and social skills, improved ability to concentrate, and accelerated development of physical and mental abilities such as coordination and creativity.

The charity has grown from one orchestra and 6 mentors serving 40 children in 2012, to 4 orchestras, 2 choirs, 2 percussion ensembles, a summer camp and a special needs programme serving over 500 children in 2018. To help scale up the special needs programme, in 2019 FASM introduced instrumental classes with their own orchestra students as volunteer teachers. In 2020, in response to Covid 19, FASM provided instruments to children to enable them to continue to participate in FASM's programmes remotely.

The Apax Foundation Trustees approved a grant renewal as part of our social mobility programme.

Mann Deshi Foundation

Mann Deshi Foundation was founded in Maharashtra, India in 1996. Its mission is to empower poor, rural women with the knowledge, skills, access and capital to become successful entrepreneurs with more control over their lives. The organisation works in regions where their resources are most needed, serving a neglected segment of society.

The Mann Deshi organisation has two pillars: a bank (the only women-only bank licence given by the Indian Reserve Bank) that provides women with affordable and easy access to credit, and a Foundation that provides women with the knowledge, skills and support necessary to become successful entrepreneurs, with a chamber of commerce providing legal, compliance, financial and marketing advice.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

Mann Deshi had to deviate from their expansion plans due to the disruption caused by Covid 19. In response to the pandemic, Mann Deshi was active in both immediate food and health relief work, and harnessing the power of technology to continue to reach its communities and support them to reach external markets.

Mann Deshi's response to Covid 19 was initially to provide immediate food relief and create new pathways for women's entrepreneurship, followed by setting up a COVID centre, expanding into an innovative radio programme to ensure rural children could continue schooling, launching an ecommerce website to support women entrepreneurs reach new markets and investing in building a Mann Deshi Academy of all the organisation's training modules online.

Immediate relief work included providing food relief for 20,000 families, partnering with the District Collector of Satara to provide PPE kits, masks and sanitiser, providing ventilators and oxygen cylinders for hospitals in the region, facilitating a public-private partnership to bring health care to remote communities by completely refurbishing and setting up a local rural hospital.

While immediate food relief and medical care was a concern in the initial days of the pandemic, so was economic survival. Mann Deshi ensured continued banking services across all its 8 branches. Since income had dried up for most women, Mann Deshi's field staff encouraged their entrepreneurs to harness their skills and equipment to make masks as a source of livelihood. Within a few weeks, 286 women had produced over 300,000 high quality masks and some had moved into making PPE kits. Everything was run online – Mann Deshi provided start-up capital, information on safety and quality and access to distribution channels – and women stepped forward as leaders and built their enterprises.

Other livelihood support initiatives included providing opportunities for women to be part of Mann Deshi's relief work providing 24,000 cooked meals for migrants and daily wage labourers. Mann Deshi also supported small and marginal farmers during the May/June sowing season by providing warehouse facilities to store crops unsold due to the lockdown. They also supported their entrepreneurs to set up digital marketing channels so that they could continue to serve local customers and offer digital payments.

The pandemic also brought Mann Deshi closer to communities at large. Its community radio, that reaches some 100,000 people, played a critical role in providing timely and important news and local information. They also ran a primary school programme aimed at helping those children who had no access to smartphones or online schooling.

The Apax Foundation has supported the Mann Deshi Foundation since 2017 and Gautam Narayan, an Apax Partner, serves on its Advisory Panel.

The Apax Foundation Trustees approved a grant renewal as part of our social mobility programme.

Opportunity Network

Opportunity Network was founded in 2003 to create access to college and careers for high potential students from low-income families. In less than 20 years, OppNet has grown from 0 paid staff, 10 students and an operating budget of \$30k to 60+ paid staff, 400+ volunteers, reaching more than 40,000+ students across the country, and an operating budget of >\$10m.

Opportunity Network's Fellows Programme is an intensive, 6-year programme that works with students from the summer after 10th grade through college graduation and, ultimately, careers. 92% of students graduate from college and 89% secure meaningful employment or graduate school admission within six months of graduation.

The Apax Foundation made its first grant to Opportunity Network in 2013: the funds have helped to underwrite the costs of growing the number of students served by the Fellows Programme from 357 in 2013 to 1,010 in 2021.

OppNet's income has held steady throughout the Covid19 pandemic and they gained some significant new corporate supporters, including Facebook and Coach.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

OppNet has attracted strong involvement from the Apax New York team: Dan O'Keefe (Apax Digital Managing Partner) is Chair of OppNet and Jason Wright continues to serve on the board. Pavithra Mahesh (Apax Principal) is a member of OppNet's Associate Board and other members of the Apax investment team in New York support the organisation through volunteering and personal donations.

The Apax Foundation Trustees approved a grant renewal as part of our social mobility programme.

Sponsors for Educational Opportunity (SEO) London

SEO was founded as a mentoring programme to help under-served students gain admission to competitive colleges and universities. It subsequently expanded to cover internship and recruitment opportunities.

SEO London offers three flagship programmes, SEO Careers, SEO Scholars and SEO Connect. SEO's new Alternative Investment Programme, which the Apax Foundation supports as part of its social mobility programme, connects Private Equity firms with pre-university SEO candidates for internships and mentoring initiatives.

Overall, SEO London has had an impactful year in connecting students with multiple PE firms through programmes such as the "Demystifying the City" summer schools in which 15 PE firms participated. They helped 49 undergraduates secure internships as part of the Alternative Investment Programme.

The first year of the partnership with the Apax Foundation has been a success from an active social mobility perspective: An SEO candidate was accepted for a place on Apax's summer internship programme for students from under-served communities and we are partnering with SEO to create Apax Gives Back community service events. The Apax team has also participated in SEO's educational programme of speakers/panels.

The donor base for SEO's Alternative Investment Programme is strong, with 18 leading PE firms supporting the programme. Mark Beith (a Partner at Apax) serves on the AIP steering committee and facilitates connections with Apax and SEO. He has also been mentoring SEO interns since 2005.

The Apax Foundation Trustees approved a grant renewal as part of our social mobility programme.

TERN (The Entrepreneurial Refugee Network)

TERN's mission is to help refugees achieve financial self-sustainability through entrepreneurship, connecting unutilised skills to market opportunities. Its long-term goal is to support 4,000 refugee entrepreneurs and launch 2,000 refugee-led businesses by 2025.

TERN provides entrepreneurship support services through three interlocking support programmes:

- 1) Ice Academy: pre-incubator that combines part-time employment with early business idea exploration and validation
- 2) TERN TakeOff: incubation programme combining co-working and business mentorship to enable sustainable business launches
- 3) TERN On Demand: acceleration and growth consulting focused on one-to-one targeted problem solving for trading businesses

In addition, TERN offers free services such as marketing, brand and website building services; legal support; access to finance (micro loans and angel finance); access to customers through Europe's only marketplace for refugee-led brands, Anqa.

TERN adapted to the restrictions of Covid-19 without interruption, with a fast pivot to online-based delivery whilst growing the number of participants served and expanding their services and team. TERN grew annual revenue from £354,936 in FY 2019/20 to £440,000 in FY 2020/21.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

To counter the rise in crisis poverty in the community served by TERN, they developed REBOOT, a targeted business support programme to support refugee entrepreneurs in re-entering the market. Alongside this, in light of the digital pivots small businesses need to make, TERN launched:

- ANQA Collective, Europe's first marketplace for refugee-led businesses. In its first 6 months, Anqa drew 6,000 visitors and more than £5,000 in additional revenue to 10 refugee-led brands in TERN's community.
- WebBooster: a new service, building the online presences and ecommerce sites for each business with a team of developer freelancers
- A community-led women (and particularly single mother) entrepreneur support community called HerTERN, launching a childcare pilot with the leading on-demand childcare app in the UK, Bubble.

The Apax Foundation has supported the organisation since 2017. Anders Meyerhoff (a Partner at Apax) has served on the advisory board and Thomas Crewe (a Principal at Apax) has also become involved, reviewing TERN's strategic, financial and operational progression and providing feedback on the organisation's growth strategy.

The Apax Foundation Trustees approved a grant renewal as part of our social mobility programme.

Apax staff community engagement

The Apax Foundation staff 'matching' scheme aims to encourage the personal charitable giving of members of the Apax Partners' worldwide team and increase their engagement with philanthropy. The overarching hope is that the Foundation's support will encourage people to increase their personal giving. The scheme was enhanced during the year and now matches charitable donations made by members of the Apax team 2:1 on the first £5,000 of donations up to £50,000, as well as supporting the efforts of members of the team who give significant time to charitable commitments.

The Apax team repeated the successful 'Apax Challenge', taking part in a range of activities sponsored by the Apax Foundation to raise £20,000 for Rianna's Fund. Rianna's Fund is a UK-based charity that builds schools in deprived parts of the world.

Due to the global pandemic, a repeat of the Apax Give Back Days that occurred in 2019 were, again, unable to go ahead in 2021.

THE APAX FOUNDATION**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)****For the year ended 31 December 2021****FINANCIAL REVIEW**

The Group made donations of £2,092,839 during the year (2020 - £5,899,691) and had income of £1,428,397 (2020 - £3,468,595). Net investment income of £498,439 was earned (2020 - £611,519). Distributions from carried interest holdings received in the year totalled £3,384,329 (2020 - £9,321,865). The Group's net assets increased by £13,920,253 during the year (2020 – increase of £8,219,144).

The Charity's wholly owned subsidiary, Apax E Member Limited, received a profit share of £1,309,559 (2020 - £3,427,076) from Apax Partners LLP during the year. Apax E Member Limited made donations of £1,301,548 (2020 - £3,403,899) to the Charity during the year.

Investment policy and activity

The Charity's policy is to invest its funds in a prudent and ethical manner to enable funding of future activities.

As at 31 December 2021, the Charity held investments of £6,263,813 (2020 - £8,615,061) with Rothschild Wealth Management and £24,996,211 (2020 - £13,958,393) with Vanguard. Reallocations, withdrawals and further deposits occurred during the year as the Trustees continue to review and amend the portfolio to further seek an ESG-focused position that generates long-term returns.

Reserve policy

The Charity's administration costs are small. As such the Trustees believe that the reserves maintained by Charity are sufficient to meet its charitable commitments, as mentioned in note 7, in full as they fall due.

The Trustees believe that the Charity should be able to pursue its objectives for the indefinite future, however its future funding is highly dependent on the business success of Apax Partners LLP. The Trustees consider that the building of a substantial endowment will allow them to achieve their longer term objectives. As a result, the Charity now has uncommitted reserves of £78,762,998 (2020 - £64,841,071). The Trustees will continue to identify opportunities to make donations in furtherance of its objectives.

The Charity Trustees review this policy annually, or if there are any significant changes to its commitments or activities.

FUTURE DEVELOPMENTS

The Foundation holds carried interest shares in a number of Apax Funds; of which, only Apax Europe VI, Apax Europe VII, Apax VIII, Apax AMI and Apax Digital are currently making distributions of carried interest. Carried interest shares constitute an investment in a Fund which becomes entitled to receive distributions once the external investors in the relevant fund have received their investment back plus a hurdle rate of return thereon. When later funds commence to distribute carried interest, the Trustees will consider increasing the Charity's annual level of giving. After the year-end, the terms of the staff matching scheme were enhanced to increase the rates at which the Foundation makes donations to charities supported by Apax team members.

The Trustees intend to continue building the Charity's endowment to provide an additional source of income in the future, and to give the Charity a sense of stability and permanence. It is planned that up to 20% of these funds will be allocated to social investments rather than purely financial investments.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the year end.

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TRUSTEES' REPORT (CONTINUED)

For the year ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the group and parent charitable company's financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent charitable company's 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 trustees 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 parent charitable company and of the group's income and expenditure for that period. In preparing each of the group and parent charitable company financial statements, the trustees 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the parent charitable 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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TRUSTEES' REPORT (CONTINUED)

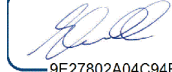
For the year ended 31 December 2021

AUDITOR

The Trustees intend to appoint new auditors for the next set of financial statements and will propose a motion at a meeting of the Trustees formally appointing the firm to take office.

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

DocuSigned by:



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S B Cresswell

Trustee

Date: 28/09/22

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE APAX FOUNDATION

Opinion

We have audited the financial statements of The Apax Foundation ("the charitable company") for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure), the Consolidated Balance Sheet, the Charity Statement of Financial Position, the Consolidated statement of Cashflows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

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

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and the charitable company'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").

In our evaluation of the Trustees' direct conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charitable company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group or the charitable company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE APAX FOUNDATION

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and inspection of policy documentation as to the groups and the charitable company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Trustees’ minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment valuations. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is generated from few sources and transactions are easily verifiable to external sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals relating to fair value adjustments.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards) and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation), charity reporting legislation, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of company legislation recognising that the Apax Foundation is registered as a Charity with the Charities Commission. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and inspection of legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE APAX FOUNDATION

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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;
- in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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's and the charitable 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE APAX FOUNDATION

Auditor's responsibilities

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

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

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

This report is made solely to the charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Crabb (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 28 September 2022

THE APAX FOUNDATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and other incoming resources	4	1,428,397	1,428,397	3,468,595
Investments	5	498,439	498,439	611,519
Total income		1,926,836	1,926,836	4,080,114
Expenditure on:				
Investment management costs	6	8,916	8,916	19,788
Charitable activities	8	2,158,737	2,158,737	5,954,827
Other expenditure	9	1,191,864	1,191,864	(666,158)
Total expenditure		3,359,517	3,359,517	5,308,457
Net expenditure before net gains on investments		(1,432,681)	(1,432,681)	(1,228,343)
Net gains on investments		15,352,934	15,352,934	9,447,487
Net income and movement in funds		13,920,253	13,920,253	8,219,144
Reconciliation of funds:				
Total funds brought forward		65,079,203	65,079,203	56,860,059
Net movement in funds		13,920,253	13,920,253	8,219,144
Total funds carried forward		78,999,456	78,999,456	65,079,203

There were no recognised gains and losses for the year ending 31 December 2021 or the year ending 31 December 2020 other than the net movement in funds shown above.

All amounts dealt with above are derived from continuing operations.

The notes on pages 23 to 38 form part of these financial statements.

THE APAX FOUNDATION

(A company limited by guarantee)
Registered number: 05662690

CONSOLIDATED BALANCE SHEET
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	70,650,399	53,428,744
		<u>70,650,399</u>	<u>53,428,744</u>
Current assets			
Debtors	15	347,113	1,594,394
Cash at bank and in hand	22	8,408,670	10,646,549
		<u>8,755,783</u>	<u>12,240,943</u>
Creditors: amounts falling due within one year	16	(267,218)	(391,349)
Net current assets		<u>8,488,565</u>	<u>11,849,594</u>
Total assets less current liabilities		<u>79,138,964</u>	<u>65,278,338</u>
Creditors: amounts falling due after more than one year	17	(139,508)	(199,135)
Net assets		<u>78,999,456</u>	<u>65,079,203</u>
Total net assets		<u><u>78,999,456</u></u>	<u><u>65,079,203</u></u>
Charity funds			
Unrestricted funds	19	78,999,456	65,079,203
Total funds		<u><u>78,999,456</u></u>	<u><u>65,079,203</u></u>

THE APAX FOUNDATION
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
As at 31 December 2021

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

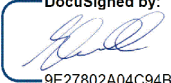
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

DocuSigned by:

9E27802A04C94B6.....

S B Cresswell

Trustee

Date: 28/09/2022

The notes on pages 23 to 38 form part of these financial statements.

THE APAX FOUNDATION**(A company limited by guarantee)****Registered number: 05662690****CHARITY STATEMENT OF FINANCIAL POSITION****As at 31 December 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	14	70,650,399	53,428,744
		<u>70,650,399</u>	<u>53,428,744</u>
Current assets			
Debtors	15	113,591	1,358,883
Cash at bank and in hand		8,398,309	10,631,485
		<u>8,511,900</u>	<u>11,990,368</u>
Creditors: amounts falling due within one year	16	(259,793)	(378,906)
Net current assets		<u>8,252,107</u>	<u>11,611,462</u>
Total assets less current liabilities		<u>78,902,506</u>	<u>65,040,206</u>
Creditors: amounts falling due after more than one year	17	(139,508)	(199,135)
Net assets		<u>78,762,998</u>	<u>64,841,071</u>
Total net assets		<u><u>78,762,998</u></u>	<u><u>64,841,071</u></u>
Charity funds			
Unrestricted funds	19	78,762,998	64,841,071
Total funds		<u><u>78,762,998</u></u>	<u><u>64,841,071</u></u>

THE APAX FOUNDATION
(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2021

The Charity's net movement in funds for the year was £13,921,927 (2020 - £8,204,123).

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

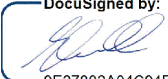
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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

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S B Cresswell

Trustee

Date: 28/09/2022

The notes on pages 23 to 38 form part of these financial statements.

THE APAX FOUNDATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	(239,308)	(4,016,231)
Cash flows from investing activities			
Income from investments	5	498,439	611,519
Proceeds from sale of investments	14	6,644,475	10,812,934
Purchase of investments	14	(9,141,485)	(104,879)
Net cash (used in)/provided by investing activities		(1,998,571)	11,319,574
Change in cash and cash equivalents in the year		(2,237,879)	7,303,343
Cash and cash equivalents at the beginning of the year		10,646,549	3,343,206
Cash and cash equivalents at the end of the year	22	8,408,670	10,646,549

The notes on pages 23 to 38 form part of these financial statements

THE APAX FOUNDATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. General information

The Apax Foundation is a company limited by guarantee incorporated and domiciled in England. The address of the registered office is 33 Jermyn Street, London, SW1Y 6DN. The nature of the Charity's operations and its principal activities are set out in the Trustee's Report on page 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Charities SORP (FRS 102), issued by the Charity Commission in January 2015, applicable accounting standards in the United Kingdom and Republic of Ireland (FRS 102), Companies Act 2006 and the requirements of the Charities Act 2011. The Charity is a public benefit entity.

The Apax Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling which is the functional currency of the Charity.

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of The Apax Foundation and its wholly owned subsidiary undertaking Apax E Member Limited, for the year ended 31 December 2021 on a line by line basis.

The financial statements of Apax E Member Limited are non-coterminous and are made up to 31 March.

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

2.3 Going concern

The Trustees are satisfied that the Charity and Group has adequate resources, including a Group cash balance of £8.4m and liquid investments of £41.3m, that are sufficient to cover its committed grants and limited cost base, which are not expected to change materially. Furthermore, the entity does not have any external debt and therefore has no repayment obligations and as such can continue in operation for at least the next twelve months. For this reason, the Trustees have adopted the going concern basis in preparing these financial statements.

2.4 Incoming resources

All incoming resources are included in the consolidated statement of financial activities when the Group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of donations is included in full in the Consolidated Statement of Financial Activities when receivable; and
- Investment income is included on an accruals basis.

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Accounting policies (continued)

2.5 Donated services

Where services are provided to the Charity as a donation that would normally be purchased from the market this contribution is included in the financial statements at an estimated valuation of the arm's length market value of such services.

2.6 Resources expended

Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

- Charitable activities include costs incurred in furtherance of the Charity's objectives;
- Support costs have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocation of staff costs by time spent and other costs by their usage; and
- Governance costs include costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and legal fees. They are included within support costs and have been apportioned between the different categories of charitable activities on an appropriate basis.

The costs of generating funds represent fundraising costs together with investment management fees.

2.7 Realised and unrealised gains and losses on investments

Realised and unrealised gains and losses on investment assets are included in 'Net gains on investments' within the Statement of Financial Activities.

2.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose.

Investment income, gains and losses are allocated to the appropriate fund.

2.9 Grant making activities

Grants to beneficiaries are generally accounted for on a paid basis but grant payments are recognised as liabilities when a constructive obligation arises that results in future payment being unavoidable.

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Accounting policies (continued)

2.10 Investments

Liquid investments

Liquid investments are included in the Balance Sheet at a fair value. All gains and losses are shown in the Statement of Financial Activities. Asset purchases and sales are recognised at the date of trade.

Unquoted investments

Unquoted investments are valued at the Trustee Board's best estimate of fair value as follows:

Pooled investments

Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject to independent valuation.

Carried interest

The Foundation holds carried interest shares in various Apax Funds. These are initially measured at cost and then at each subsequent reporting date are carried at fair value. Movements in the fair value are presented in the Statement of Financial Activities. The valuation of the carried interest is contingent on the valuation of the portfolio of assets in the underlying funds and their estimated disposal and hold period. A discount is applied to the notional valuation to reflect the lack of liquidity of the carried interest units.

Investment in subsidiary

The Foundation owns 100% of the issued ordinary share capital of Apax E Member Limited with a notional value of £1. The investment is valued at cost.

2.11 Debtors

Short term debtors are measured at transaction price less any impairment.

2.12 Cash at bank and in hand

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

2.13 Creditors

Short term creditors are measured at transaction price.

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Accounting policies (continued)

2.14 Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed that 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 and other payables and loans from fellow group companies, 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.

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2. Accounting policies (continued)

2.15 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading subsidiary suffered no corporation tax during the year (2020: £NIL).

2.16 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 contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of Financial Activities.

3. Critical accounting estimates and areas of judgment

In the application of the Charity's accounting policies, which are described in note 2, the Trustees 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 Charity's accounting policies

The Trustees 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 Charity'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.

Fair value measurement of unquoted investments

The basis for obtaining fair values of unquoted fixed asset investments is mostly based on third party valuation reports. For certain investments, that the Trustees deem to be less liquid, they have applied judgement to include a discount to reflect a lack of marketability. Changes in these assumptions could affect the reported fair value of financial instruments.

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

4. Activities for generating funds

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other donations	86,089	86,089	16,422
Profit share from Apax Partners LLP	1,309,559	1,309,559	3,427,076
Donated services	32,749	32,749	25,097
	<u>1,428,397</u>	<u>1,428,397</u>	<u>3,468,595</u>

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Liquid investments	498,439	498,439	484,667
Programme related investments	-	-	126,852
	<u>498,439</u>	<u>498,439</u>	<u>611,519</u>

6. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	8,916	8,916	19,788
	<u>8,916</u>	<u>8,916</u>	<u>19,788</u>

THE APAX FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

7. Analysis of donations

	Donations to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Advancement of education	500,317	500,317	272,646
Social enterprise and relief of financial hardship	590,152	590,152	270,427
Other charitable purposes	599,627	599,627	412,358
COVID 19 initiative	402,743	402,743	4,944,260
	<u>2,092,839</u>	<u>2,092,839</u>	<u>5,899,691</u>

THE APAX FOUNDATION**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2021****7. Analysis of donations (continued)**

The Group has made the following material grants to institutions during the year:

	2021 £
Name of institution	
United Way of Bengaluru	313,978
Impetus - The Private Equity Foundation	231,000
Unicef	165,424
Godolphin and Latymer School Foundation	105,000
Street Child	100,000
Aga Khan Foundation	99,000
West Ham United Foundation	80,000
The Opportunity Network	78,701
Breaking Barriers	65,000
Latymer Foundation	56,600
The Portland Trust	55,000
Children of Fallen Patriots Foundation	50,957
Henrik's Troopers	50,000
Sevenoaks School Foundation	45,000
Baby2Baby	42,054
The Entrepreneurial Refugee Network	40,000
Grameen America	37,702
The Mount Carmel Education Foundation	36,245
Fundación para la Acción Social por la Música	34,777
Posse Foundation	25,439
	<hr/> 1,711,877
Other donations	380,962
	<hr/> <hr/> 2,092,839

THE APAX FOUNDATION**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2021****7. Analysis of donations (continued)**

In December 2019, the Charity made a 3 year commitment to the Opportunity Network for \$450,000. This was recognised in full in the Statement of Financial Activities in the year ending 31 December 2019. As at 31 December 2021, \$300,000 has been drawn down and the balance of \$150,000 remains payable.

In June 2019, the Charity made a 10 year commitment to the Oncohealth Institute at Fundación Jiménez Díaz for €25,000 a year for ten years. It has been agreed with the Institute that the Foundation can cease making payments under its commitment after five years and therefore the anticipated cost for the first five years was recognised in the Statement of Financial Activities in the year ending 31 December 2019. As at 31 December 2021, €NIL has been drawn down and the balance of €125,000 remains payable.

In September 2020, the Charity made a 3 year commitment to SEO London for £150,000. This was recognised in full in the Statement of Financial Activities in the year ending 31 December 2020. As at 31 December 2021, £100,000 has been drawn down and the balance of £50,000 remains payable.

In February 2021, the Charity made a 3 year commitment to UNICEF's Educational Outcomes Fund (EOF) for \$225,000. This was recognised in full in the Statement of Financial Activities in the year ending 31 December 2021. As at 31 December 2021, \$75,000 has been drawn down and the balance of \$150,000 remains payable.

8. Analysis of expenditure on charitable activities**Summary by fund type**

	Unrestricted funds 2021 £	Total 2021 £	Total 2020 £
Advancement of education	516,071	516,071	275,195
Social enterprise and relief of financial hardship	608,735	608,735	273,558
Other charitable purposes	618,508	618,508	415,607
COVID 19 initiative	415,423	415,423	4,990,467
	<u>2,158,737</u>	<u>2,158,737</u>	<u>5,954,827</u>

9. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Foreign exchange (gains)/losses	<u>1,191,864</u>	<u>1,191,864</u>	<u>(666,158)</u>

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10. Analysis of expenditure by activities

	Donations 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Advancement of education	500,317	15,754	516,071	275,195
Social enterprise and relief of financial hardship	590,152	18,583	608,735	273,558
Other charitable purposes	599,627	18,881	618,508	415,607
COVID 19 initiative	402,743	12,680	415,423	4,990,467
	<u>2,092,839</u>	<u>65,898</u>	<u>2,158,737</u>	<u>5,954,827</u>

Analysis of support costs

	Advancement of education 2021 £	Social enterprise and relief of financial hardship 2021 £	Other charitable purposes 2021 £	COVID 19 initiative 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	7,829	9,235	9,384	6,302	32,750	25,098
General office costs	238	281	285	191	995	1,125
Governance costs	7,687	9,067	9,212	6,187	32,153	28,913
	<u>15,754</u>	<u>18,583</u>	<u>18,881</u>	<u>12,680</u>	<u>65,898</u>	<u>55,136</u>

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Groups's auditor for the audit of the Group's annual accounts	<u>32,153</u>	<u>28,913</u>

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	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	32,750	25,098	32,750	25,098
	<u>32,750</u>	<u>25,098</u>	<u>32,750</u>	<u>25,098</u>

Wages and salaries represent the approximate cost of Apax Partners employees who work on Foundation matters. These costs are not recharged to the Foundation and corresponding income is recognised as donated services.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Fixed asset investments

Group	Liquid investments £	Unquoted investments £	Total £
Cost or valuation			
At 1 January 2021	31,120,808	22,307,936	53,428,744
Additions	9,050,000	91,485	9,141,485
Disposals	(3,250,891)	(3,393,584)	(6,644,475)
Revaluations	4,393,212	10,331,433	14,724,645
At 31 December 2021	<u>41,313,129</u>	<u>29,337,270</u>	<u>70,650,399</u>

A net loss of £628,289 in relation to certain foreign exchange movements, distributions and investment management fees has been included in the revaluation line above which when removed, agrees to the £15,352,934 in the Statement of Financial Activities.

Liquid investments as at 31 December 2021 comprise the following:

£10,053,106 of shares held in Apax Global Alpha Limited, a company listed on the London Stock Exchange, £24,996,210 in funds managed by Vanguard and £6,263,813 in funds managed by Rothschild & Co. The units in the funds held with Vanguard and Rothschild are not listed on any public market or exchange, however, they are deemed to be highly liquid, being readily convertible into cash at short notice.

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14. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Liquid investments £	Unquoted investments £	Total £
Cost or valuation				
At 1 January 2021	1	31,120,808	22,307,935	53,428,744
Additions	-	9,050,000	91,485	9,141,485
Disposals	-	(3,250,891)	(3,393,584)	(6,644,475)
Revaluations	-	4,393,212	10,331,433	14,724,645
At 31 December 2021	1	41,313,129	29,337,269	70,650,399

A net loss of £628,289 in relation to certain foreign exchange movements, distributions and investment management fees has been included in the revaluation line above which when removed, agrees to the £15,352,934 in the Statement of Financial Activities.

Liquid investments as at 31 December 2021 comprise the following:

£10,053,106 of shares held in Apax Global Alpha Limited, a company listed on the London Stock Exchange, £24,996,210 in funds managed by Vanguard and £6,263,813 in funds managed by Rothschild & Co. The units in the funds held with Vanguard and Rothschild are not listed on any public market or exchange, however, they are deemed to be highly liquid, being readily convertible into cash at short notice.

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Apax E Member Limited	05611395	33 Jermyn Street, London, SW1Y 6DN	Member of Apax Partners LLP	Ordinary	100%	Yes

The financial results of the subsidiary for the 12 months to 31 December 2021 were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Apax E Member Limited	1,309,559	(1,311,234)	(1,675)	236,459

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15. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Prepayments and accrued income	347,113	1,594,394	113,591	1,358,883
	<u>347,113</u>	<u>1,594,394</u>	<u>113,591</u>	<u>1,358,883</u>

16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Accruals and deferred income	29,925	33,233	22,500	20,790
Grants accrued	237,293	358,116	237,293	358,116
	<u>267,218</u>	<u>391,349</u>	<u>259,793</u>	<u>378,906</u>

17. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Grants accrued	139,508	199,135	139,508	199,135
	<u>139,508</u>	<u>199,135</u>	<u>139,508</u>	<u>199,135</u>

18. Financial instruments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets				
Financial assets measured at fair value through income and expenditure	79,059,069	64,075,293	79,048,707	64,060,228

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents, liquid investments and unquoted investments.

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19. Statement of funds (group)

Statement of funds for the year ended 31 December 2021

	Balance at 1 January 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2021
Unrestricted funds					
Designated funds	18,035	-	-	-	18,035
General funds	65,061,168	1,926,836	(3,359,517)	15,352,934	78,981,421
Total unrestricted funds	65,079,203	1,926,836	(3,359,517)	15,352,934	78,999,456

Statement of funds for the period ended 31 December 2020

	Balance at 1 January 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2020
Unrestricted funds					
Designated funds	18,035	-	-	-	18,035
General funds	56,842,024	4,080,114	(5,308,457)	9,447,487	65,061,168
Total unrestricted funds	56,860,059	4,080,114	(5,308,457)	9,447,487	65,079,203

Statement of funds (charity)

Statement of funds for the year ended 31 December 2021

	Balance at 1 January 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2021
Unrestricted funds					
Designated funds	18,035	-	-	-	18,035
General funds	64,823,036	1,918,826	(3,349,833)	15,352,934	78,744,963
Total unrestricted funds	64,841,071	1,918,826	(3,349,833)	15,352,934	78,762,998

Statement of funds for the period ended 31 December 2020

	Balance at 1 January 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 December 2020
Unrestricted funds					
Designated funds	18,035	-	-	-	18,035
General funds	56,618,913	4,056,936	(5,300,300)	9,447,487	64,823,036
Total unrestricted funds	56,636,948	4,056,936	(5,300,300)	9,447,487	64,841,071

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	70,650,399	70,650,399
Current assets	8,755,783	8,755,783
Creditors due within one year	(267,218)	(267,218)
Creditors due in more than one year	(139,508)	(139,508)
Total	78,999,456	78,999,456

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	53,428,744	53,428,744
Current assets	12,240,943	12,240,943
Creditors due within one year	(391,349)	(391,349)
Creditors due in more than one year	(199,135)	(199,135)
Total	65,079,203	65,079,203

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	13,920,253	8,219,144
Adjustments for:		
Investment income	(498,439)	(611,519)
Unrealised gains on investments	(14,724,645)	(10,086,419)
Decrease/(increase) in debtors	1,247,281	(1,381,521)
Decrease in creditors	(183,758)	(155,916)
Net cash used in operating activities	(239,308)	(4,016,231)

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22. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	8,408,670	10,646,549
Total cash and cash equivalents	8,408,670	10,646,549

23. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Changes in market value and exchange rate movements £	At 31 December 2021 £
Cash at bank and in hand	10,646,549	(1,765,651)	(472,228)	8,408,670
	<u>10,646,549</u>	<u>(1,765,651)</u>	<u>(472,228)</u>	<u>8,408,670</u>

24. Related party transactions

During the year, the Apax Foundation received donations from its subsidiary, Apax E Member Limited of £1,301,548 (2020: £3,403,899).

25. Post balance sheet events

There have been no significant events affecting the Charity since the year end.