

Registration number: 01899316

Bridgepoint Advisers Holdings
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



Bridgepoint Advisers Holdings

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of Bridgepoint Advisers Holdings ("the Company") is to act as a holding company for subsidiary undertakings and also invest into certain of the funds managed by subsidiaries of Bridgepoint Group plc. There have not been any significant changes in the Company's principal activities during the year under review.

Results

The profit for the financial year is £42.2m (2020 (restated): £50.8m) and at the year end the Company has net assets of £126.9m (2020 (restated): £84.6m).

Principal risks and uncertainties

The Company's main income is generated from investments in limited partnerships. The business is subject to risks associated with the performance of the funds managed and the tax and regulatory regimes within which its business operates.

Key performance indicators

The Company considers investment performance, income from investments in limited partnerships and profit before tax as the key performance indicators of the business. Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance, or position of the business.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties, which are detailed in Section 172 of the UK Companies Act 2006.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long-term
- the interest of the company's employees
- the need to foster the company's relationships with suppliers, customers and others
- the impact of the company's operations on the community and environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between shareholders of the company

Bridgepoint Group plc has a Group Board (which are the directors of Bridgepoint Group plc) which takes executive responsibility for the strategic direction of the Group entities including the Company. It has executive responsibility for setting the Group's strategy and ensuring that the shared values and business objectives are upheld and met.

The directors of the Company are involved in decisions that impact the Company as required under the Companies Act 2006. Such matters include making commitments to investments and subsidiary companies and a decision to pay a dividend.

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Strategic Report for the Year Ended 31 December 2021

An explanation of how the Group Board has considered the matters set out in Section 172 (for the Group, and including the Company) is set out in the Annual Report and Accounts of Bridgepoint Group plc. This includes details of the development, performance and position of the Group, as well as how the Group undertakes business conduct, employee and fund investor engagement, risk management and community engagement.

Approved by the Board on 8 July 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A M Jones', written over a horizontal line.

A M Jones
Director

Bridgepoint Advisers Holdings

Directors' Report for the Year Ended 31 December 2021

The directors present their Annual report together with the audited financial statements (the "financial statements") of the Company for the year ended 31 December 2021.

Results and dividends

The results for the financial year are shown on page 8.

No dividend was paid in the current year (2020: £20m).

Future developments

In the future, the Company will continue to act as a holding company and continue to invest in certain of the Funds managed by subsidiaries of the Bridgepoint Group.

Directors of the Company

The directors who held office during the year were as follows:

C S J Barter (resigned 10 December 2021)

G P Weldon

P R Gunner

J R Hughes

E G Woods

A M Jones

R C Thompson (appointed 10 December 2021)

The following director resigned post year end:

P R Gunner (resigned 10 March 2022)

Directors' indemnity

During the year and at the time of signing, a Bridgepoint Group entity maintains liability insurance for directors and officers of the Bridgepoint Group and associated companies, which includes the Company. This is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bridgepoint Advisers Holdings

Directors' Report for the Year Ended 31 December 2021

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management

In the normal course of business, financial instruments are used for the purpose of managing exposures to foreign exchange and interest rate movements. The Company's operations expose it to market, credit and liquidity risk. Further information is included in the Note 17 to the financial statements.

Statement of engagement with suppliers, customers and others in a business relationship with the company

From the perspective of the directors of the Company, as a result of the group governance structure, the Group Board has taken the lead in carrying out the duties of the Company in respect of its' shareholders, employees, fund investors and community engagement. An explanation of how the Group Board has carried out these responsibilities (for the Group and for the Company) is set out in the Annual Report and Accounts of Bridgepoint Group plc.

Post balance sheet events

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

Disclosure of information to the auditors

Each director at the time when the Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information needed by the Company's auditor in connection with preparing their report of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appointment of auditors

The Board of Directors has appointed Mazars LLP as auditor of the Company in line with Section 485 of Companies Act 2006. Mazars LLP has expressed willingness to continue in office as auditor of the Company.

Approved by the Board on 8 July 2022 and signed on its behalf by:



A M Jones
Director

Bridgepoint Advisers Holdings
Independent auditor's report to the members of
Bridgepoint Advisers Holdings

Opinion

We have audited the financial statements of Bridgepoint Advisers Holdings (the 'Company') for the year ended 31 December 2021 which comprise the Profit and Loss account, Statement of Comprehensive Income, Balance Sheet, 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 FRS 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

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Bridgepoint Advisers Holdings
Independent auditor's report to the members of
Bridgepoint Advisers Holdings (continued)

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

Matters on which we are required to report by exception

In 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 directors' report.

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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities set out on pages 3 and 4, 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 the financial statements.

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

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Companies Act 2006.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Bridgepoint Advisers Holdings
Independent auditor's report to the members of
Bridgepoint Advisers Holdings (continued)

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to manipulating accounting records and preparing fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, there is a risk of material misstatement due to fraud on all audits.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit 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.


Nargis Yunis (Jul 8, 2022 18:42 GMT+1)

Nargis Yunis (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey, London, EC4M 7AU
8 July 2022

Bridgepoint Advisers Holdings

Profit and Loss Account for the Year Ended 31 December 2021

		(As restated)	
	Note	2021 £ 000	2020 £ 000
Income from shares in group undertakings		15	47
Income from investments in limited partnerships		51,839	32,031
Carried interest	12	<u>14,990</u>	<u>12,826</u>
Total turnover		66,844	44,904
Fees payable		(50)	(50)
Administrative expenses		(362)	(271)
Net foreign exchange gains		<u>(1,338)</u>	<u>7,930</u>
Operating profit	6	<u>65,094</u>	<u>52,513</u>
Interest receivable and similar income		1,151	1,716
Interest payable and similar expenses		<u>(2,863)</u>	<u>(2,092)</u>
Profit before tax		63,382	52,137
Taxation	9	<u>(21,138)</u>	<u>(1,359)</u>
Profit for the financial year		<u><u>42,244</u></u>	<u><u>50,778</u></u>

The results above relate to continuing operations.

The notes on pages 12 to 34 form an integral part of these financial statements.

Bridgepoint Advisers Holdings

Statement of Comprehensive Income for the Year Ended 31 December 2021

(As restated)		
	Note	
	2021	2020
	£ 000	£ 000
Profit for the year	42,244	50,778
Other comprehensive income:		
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	42,244	50,778

The results above relate to continuing operations.

The notes on pages 12 to 34 form an integral part of these financial statements.

Bridgepoint Advisers Holdings
(Registration number: 01899316)
Balance Sheet as at 31 December 2021

			(As restated)
	Note	2021 £ 000	2020 £ 000
Non-current assets			
Investments in subsidiaries	10	112,400	26,329
Other investments	11	233,208	154,093
Carried interest receivable	12	36,977	24,682
Debtors: amounts falling due after more than one year	13	3,199	3,440
		<u>385,784</u>	<u>208,544</u>
Current assets			
Debtors: amounts falling due within one year	13	90,115	190,658
Cash and cash equivalents		<u>15,150</u>	<u>2,576</u>
		105,265	193,234
Current liabilities			
Creditors: amounts falling due within one year	14	(329,838)	(221,111)
Loans and borrowings	15	<u>-</u>	<u>(89,566)</u>
Net current liabilities		<u>(224,573)</u>	<u>(117,443)</u>
Total assets less current liabilities		161,211	91,101
Other non-current financial liabilities	14	(12,934)	-
Provisions for liabilities		<u>(21,423)</u>	<u>(6,491)</u>
Net assets		<u>126,854</u>	<u>84,610</u>
Capital and reserves			
Called up share capital	18	5,329	5,329
Retained earnings		<u>121,525</u>	<u>79,281</u>
Total equity		<u>126,854</u>	<u>84,610</u>

The financial statements of Bridgepoint Advisers Holdings were approved and authorised by the Board of Directors on 8 July 2022 and signed on its behalf by:



A M Jones
Director

The notes on pages 12 to 34 form an integral part of these financial statements.

Bridgepoint Advisers Holdings

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2020 (As restated)	5,329	48,503	53,832
Profit for the year (As restated)	-	50,778	50,778
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	50,778	50,778
Dividends	-	(20,000)	(20,000)
At 31 December 2020 (As restated)	<u>5,329</u>	<u>79,281</u>	<u>84,610</u>
	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2021	5,329	79,281	84,610
Profit for the year	-	42,244	42,244
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	42,244	42,244
At 31 December 2021	<u>5,329</u>	<u>121,525</u>	<u>126,854</u>

The notes on pages 12 to 34 form an integral part of these financial statements.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The Company is a private company limited by shares domiciled in the United Kingdom. The country of its incorporation is England and Wales. The address of its registered office and principal place of business is 95 Wigmore Street, London, England, W1U 1FB.

2 Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss, when it is required by FRS 102.

b Consolidation

Under section 400 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated accounts as it is itself a subsidiary undertaking and it is a wholly-owned subsidiary of Bridgepoint Group plc, a company incorporated within the United Kingdom, which prepares consolidated accounts that include the Company and its subsidiaries.

c Going concern

In order to sign the financial statements of the Company, management are required to assess and confirm the appropriateness of the going concern assumption as the basis of preparation. Whilst the Company has net current liabilities as a result of its activity as an investor in funds managed by Bridgepoint and as a holding company for the Group's subsidiaries, this largely consists of intercompany payables. The Company has access to a £125m banking facility and pooled cash generated by subsidiary companies. The Company's borrowings are typically drawn for short durations as the facility is used for Group working capital purposes. They can be rolled forward subject to continued compliance with banking covenants and up to the date that the facility terminates (October 2023).

As the Company does not operate as a standalone entity but contributes to the performance of the group to which it belongs, which is headed by Bridgepoint Group plc, it is appropriate to consider the going concern of the Company with reference to the group's viability and performance.

The assessment for the group has been performed for a period of at least 12 months from the date of the approval of Company's financial statements. This assessment considered a wide range of information including the group's business and operating models and strategy, the risk appetite and details of the approach to managing risk and a summary of the current financial position and resources. Scenarios were also prepared to stress test the assumptions made in the forecasts the results of which confirm even under these stressed scenarios, the Company would remain a going concern.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Summary of significant accounting policies (continued)

d Exemption under Financial Reporting Standards

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of the exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

Cash Flow Statement - The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Bridgepoint Group plc, includes the Company's cash flows in their own consolidated financial statements.

Related Party Transactions - The Company has taken advantage of the exemption, under FRS 102 paragraph 33.1.A, from disclosing related party transactions within the Bridgepoint Group on the grounds that 100% of the voting rights are controlled within the group. Transactions with the Bridgepoint Funds and the shareholders of the Bridgepoint Group are not exempt and are disclosed where applicable

e Revenue recognition

Income is recognised in the Profit and Loss Account and the Statement of Comprehensive Income on an accruals basis.

Income from shares in group undertakings comprises dividend income. Income from investments in Limited Partnerships consists primarily of fair value measurements of the Company's investments in private equity and credit funds. Details of the valuation of such investments is explained further within note 4. Other income comprises annual share from Limited Partnerships. Such income is recognised when the right to receive payment is established.

All income is generated within the UK.

f Expenses

Expenses incurred have been recognised on an accruals basis.

g Interest income and expense

Interest income is recognised using the effective interest rate method.

Credit facility arrangement fees are capitalised and amortised to the Profit and Loss Account using the effective interest method over the term of the facility.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Summary of significant accounting policies (continued)

h Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Current or deferred taxation assets and liabilities are not discounted.

i Foreign currency transactions and balances

The Company's functional and presentation currency is the pound sterling. These financial statements are presented in pound sterling and rounded to thousands.

Foreign currency transactions are translated into the functional currency using the opening spot exchange rate for the month in which the transaction occurs as an approximate for the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling using the closing rate at the year-end. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign currency gains and losses are recognised in the Profit and Loss Account.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Summary of significant accounting policies (continued)

j Derivative instruments and hedge accounting

The Company enters derivative instruments to manage its exposure to foreign exchange rate risk, namely foreign currency forwards. Derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value at each reporting date.

As the derivatives are not designated as cash flow hedges, all fair value movements are recognised in the Profit and Loss Account. Where a derivative relates to a hedge of investments in foreign currencies, the profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Profit and Loss account.

Prior to their settlement, derivatives are carried as assets when the fair value is positive and as a liability when fair value is negative. The fair value of unsettled forward currency contracts is calculated by reference to the market for forward contracts with similar maturities.

k Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and call deposits, held at call with banks with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

l Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment, except where repayable on demand.

m Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment, except where repayable on demand.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Summary of significant accounting policies (continued)

n Carried interest receivable

The Company is an investor in Carried Interest Partnerships ('CIPs') which entitles it to receipts of carried interest from funds.

In prior years, the carried interest receivable was only recognised through the Profit and Loss Account as 'Profit on investments' once the first distribution of carried interest was made by the CIP in accordance with the relevant partnership agreements. To provide the readers of financial statements with more reliable and relevant information about the effects of transactions, management has determined that the Company's carried interest recognition policy should be aligned with the Group's. Therefore in 2021, carried interest revenue is recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund.

In determining the amount of revenue to be recognised the Company is required to make assumptions and estimates when determining (i) whether or not revenue should be recognised and (ii) the timing and measurement of such amounts.

The Company base their assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund.

This includes the current fund valuation and internal forecasts on the expected timing and disposal of fund assets.

For private equity funds, the reversal risk is managed through the application of discounts of 30 to 50 percent to the fair values of unrealised investments where the realised and unrealised valuation of a fund exceeds the relevant carried interest hurdle.

For credit funds, which are more sensitive to the performance of individual investments within the portfolio, only funds that have either reached their hurdle or are expected to do so imminently are modelled on the same basis.

The discount applied for each fund depends on the specific circumstances of each fund, taking into account diversity of assets, whether there has been a recent market correction (and whether this has been already factored into the valuation of the fund) and the expected average remaining holding period. The level of discounts applied are reassessed annually.

The amount of the adjustments for the current period and each prior period are disclosed within note 5.

o Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Summary of significant accounting policies (continued)

o Financial Instruments (continued)

Investments in managed funds

Investments representing interests in private equity and credit funds are initially recognised at fair value and subsequently measured at fair value through the Profit and Loss Account. The Group's undertakings are fair valued using the net asset value of the underlying fund determined by the Manager of the underlying fund. This is reassessed by the directors considering all factors, information and data deemed to be pertinent.

Investments within each fund are measured at fair value as determined in good faith by the Manager in accordance with the terms of the Limited Partnership Agreement of each fund and the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") and are reviewed and approved by the relevant Bridgepoint Valuation Committees. The valuations provided by the Managers typically reflect the fair value of the Group's proportionate share of capital account balance of each investment as at 31 December 2021 or the latest available date.

Investments in subsidiary undertakings

Investments in subsidiary undertakings, that are not investment vehicles, are stated at cost less provision for any impairment. Provisions are only made where in the opinion of the directors there is an impairment in value.

The Company has an investment in certain subsidiaries which are investment vehicles such as limited partnerships whose primary function is to generate capital or income growth through holding investments. This category of subsidiary is held at fair value since they are managed on a fair value basis. Investments in subsidiaries (other than those measured at fair value) are initially recognised at cost and subsequently held at cost less any impairment charge.

Loan to subsidiaries

Interest free loans to subsidiaries, due in greater than one year, are financing transactions. They are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Such assets are subsequently carried at amortised cost using the effective interest rate method. For loans which are repayable on demand, they are recognised at transaction price as the present value of a financial asset that is repayable on demand is equal to the undiscounted cash amount payable reflecting the lender's right to demand immediate repayment.

Loans to subsidiaries with market interest rate are basic debt instruments and will be recognised at transaction price and measured at amortised cost using the effective interest rate method.

p Dividends

Dividends and other distributions to the Company's shareholder are recognised in the period in which the dividends and other distributions are approved by the shareholder. These amounts are recognised in the statement of changes in equity.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

4 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors may be required to make judgements, estimates and assumptions that could impact the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The judgements, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if, the revision affects only that year, the year of the revision and future years, or if the revision affects both current and future years. The directors do not consider the financial statements to have any matters requiring significant judgement. Critical estimates are discussed further below.

(a) Estimates

Valuation of fund investments at fair value

Fund investments at fair value consist of investments in private equity and credit funds. The investments are fair valued using the net asset value of each fund, determined by the Manager. These funds are invested into direct and indirect equity and debt investments.

Portfolio assets within each fund are stated at fair value as determined in good faith by the Manager in accordance with the terms of the LPA of each fund and the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") and are reviewed and approved by the relevant Bridgepoint Valuation Committee. The valuations provided by the Managers typically reflect the fair value of the Group's proportionate share of capital account balance of each investment as at the reporting date or the latest available date.

The market approach is typically used for the valuation of the assets. This comprises valuation techniques such as market comparable companies and multiple techniques. A market comparable approach uses quoted market prices or third-party quotes for similar instruments to determine the fair value of a financial asset. A multiple approach can be used in the valuation of less liquid securities, which typically form the majority of assets within a private equity or credit fund.

Recognition and measurement of carried interest revenue

Carried interest revenue is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund.

In determining the amount of revenue to be recognised the Group is required to make assumptions and estimates when determining (i) whether or not revenue should be recognised and (ii) the timing and measurement of such amounts.

The Group base their assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund. This includes the current fund valuation and internal forecasts on the expected timing and disposal of fund assets.

For private equity funds, the reversal risk is managed through the application of discounts of 30 to 50 percent to the fair values of unrealised investments where the realised and unrealised valuation of a fund exceeds the relevant carried interest hurdle.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

4 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Recognition and measurement of carried interest revenue (continued)

The discount applied for each fund depends on the specific circumstances of each fund, taking into account diversity of assets, whether there has been a recent market correction (and whether this has been already factored into the valuation of the fund) and the expected average remaining holding period. The level of discounts applied are reassessed annually.

5 Prior year adjustments and restatement

The Company has restated the prior year Profit and Loss Accounts and Balance Sheet as follows:

The intercompany loan receivable in the Balance Sheet as at 31 December 2020 has been updated for a corrected foreign exchange rate as at 31 December 2020, leading to an increase of £62k. The difference has increased foreign exchange gains in the Profit and Loss Account by a corresponding value.

Other investments has decreased by £5.8m due to a correction in the calculation of net asset values and from a reclassification from investments to deferred consideration receivable due to the triggering of a sale of an investment held. The difference has resulted in an increase to the prior year profit of £2.4m and an increase in long term debtors of £3.4m.

The Company has also updated its carried interest accounting policy which aligns the Company's recognition of carried interest with Bridgepoint Group's policy. The restatement has increased both net assets and profit for the prior period by £12.4m and increased current year profit and net assets by £15.3m.

6 Operating profit

Arrived at after charging:

	(As restated)	
	2021	2020
	£ 000	£ 000
Foreign exchange (gains) / losses	1,338	(7,930)
Carried interest receipts	<u>(14,990)</u>	<u>(12,826)</u>

PricewaterhouseCoopers LLP ("PwC") resigned as auditor of the Company. Mazars LLP ("Mazars") were appointed to replace PwC. Auditors remuneration paid to Mazars for the audit of the Company is £39,200 (2020: £16,000 to PwC). Auditors' remuneration disclosed above includes amounts in relation to audit of other Group Companies and General Partners of the Bridgepoint Credit funds.

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditors for 'Other services' as this information is included in the consolidated financial statements of Bridgepoint Group plc.

7 Employees

The Company did not employ any personnel during the year (2020: none).

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Directors' remuneration

None of the directors received any remuneration directly from the Company during the year (2020: none). Remuneration received by individual directors who are employed and paid by another group entity cannot be sensibly attributed across the entities for which each director is a director of.

9 Taxation

(a) Tax expense included in the Profit and Loss Account

	2021 £ 000	2020 £ 000
Current taxation:		
UK corporation tax	7,437	2,000
UK corporation tax adjustment to prior periods	<u>(1,230)</u>	<u>(4,359)</u>
Total current tax	<u>6,207</u>	<u>(2,359)</u>
Deferred taxation:		
Arising from origination and reversal of timing differences	15,404	5,401
Deferred tax adjustment to prior periods	<u>(473)</u>	<u>(1,683)</u>
Total deferred tax	<u>14,931</u>	<u>3,718</u>
Tax charge on profit	<u><u>21,138</u></u>	<u><u>1,359</u></u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the change has been substantively enacted at the balance sheet date, the deferred tax balances have been revalued during the year ended 31 December 2021.

(b) Reconciliation of tax charge

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
		(As restated)
Profit before tax	<u>63,382</u>	<u>52,137</u>
Corporation tax at standard rate in the UK of 19% (2020: 19%)	<u>12,043</u>	<u>9,906</u>

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Taxation (continued)

	(As restated)	
	2021	2020
	£ 000	£ 000
Timing differences	9,779	5,273
Expenses not deductible for tax purposes	1,623	85
Income not charged to UK corporation tax	(361)	(306)
Unrealised fair value movement in respect of investments	(10,390)	(5,766)
Tax losses utilised, net of losses carried forward	-	(952)
Adjustment in respect of prior years	-	(6,042)
Effect of tax rate changes	5,141	128
Income allocated by limited partnerships	5,007	981
Adjustment in relation to prior period errors	(1,704)	(1,947)
	<u>9,095</u>	<u>(8,546)</u>
Total tax charges for the year	<u><u>21,138</u></u>	<u><u>1,360</u></u>

10 Investments in subsidiaries

	Subsidiary Undertakings £ 000
At 1 January 2020	25,125
Additions	1,072
Disposals	-
Foreign exchange (As restated)	<u>132</u>
At 31 December 2020 (As restated)	<u><u>26,329</u></u>
At 1 January 2021	26,329
Additions	85,878
Disposals	-
Foreign exchange	<u>193</u>
At 31 December 2021	<u><u>112,400</u></u>

The Company has investments directly and indirectly in the following subsidiaries:

Name	Ref	Principal activity	Company's proportion of ownership interest
101 Investments (GP) Limited	1	General Partner to UK Limited Partnerships	100%
101 Investments Nominees Limited	1	Nominee company	100%
Atlantic GP 1 Limited	1	General Partner to UK Limited Partnerships	100%
Atlantic GP 2 Limited	1	General Partner to UK Limited Partnerships	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
Atlantic GP LLP	2	General Partner to UK Limited Partnerships	-
BBTPS (GP) Limited	1	General Partner to UK Limited Partnerships	100%
BBTPS FP GP Limited	2	Founder Partner to UK Limited Partnerships	100%
BBTPS Nominees Limited	1	Nominee company	100%
BC II FP Limited	1	Dormant entity	100%
BC II FP SGP Limited	2	Dormant entity	100%
BC GP 1 Limited	1	General Partner to UK Limited Partnerships	100%
BC GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BC II GP LLP	2	General Partner to UK Limited Partnerships	-
BC II GP LP	2	General Partner to UK Limited Partnerships	-
BC II MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BC MLP UK Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BC SMA Carry GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
BC SMA II Carry GP LLP	2	General Partner to UK Limited Partnerships	-
BC SMA II FP Limited	2	Founder Partner to UK Limited Partnerships	100%
BCLO Credit Investments I S.à r.l.	3	CLO Management Company	100%
BCO II Carry GP LLP	2	General Partner to UK Limited Partnerships	-
BCO III Carry GP LLP	2	General Partner to UK Limited Partnerships	-
BCO IV Carry GP LLP	2	General Partner to UK Limited Partnerships	-
BCO IV FP Limited	1	Founder Partner to UK Limited Partnerships	100%
BDC GP LP	2	General Partner to UK Limited Partnerships	100%
BDC II (SGP) Limited	2	General Partner to UK Limited Partnerships	100%
BDC II FP GP Limited	2	Founder Partner to UK Limited Partnerships	100%
BDC II GP LP	2	General Partner to UK Limited Partnerships	-
BDC II Limited	1	Investment holding company	100%
BDC II Nominees Limited	1	Nominee company	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
BDC III GP 1 Limited	1	General Partner to UK Limited Partnerships	100%
BDC III GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BDC III GP LLP	1	General Partner to UK Limited Partnerships	-
BDC III Limited	1	Dormant entity	100%
BDC III Nominees Limited	1	Nominee company	100%
BDC III SFP GP Limited	2	Founder Partner to UK Limited Partnerships	100%
BDC IV GP 1 Limited	1	General Partner to UK Limited Partnerships	100%
BDC IV GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BDC IV GP LLP	2	General Partner to UK Limited Partnerships	-
BDC IV GP LP	2	General Partner to UK Limited Partnerships	-
BDC IV Limited	1	Dormant entity	100%
BDC IV MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BDC IV Nominees Limited	1	Nominee company	100%
BDC IV SFP GP Limited	2	General Partner to UK Founder Partner	100%
BDC Special 1 Limited	2	Dormant entity	100%
BDC Special 2 Limited	2	Dormant entity	100%
BDC Special GP LLP	2	Dormant entity	-
BDCP II (Nominees) Limited	1	Nominee company	100%
BDCP II GP 1 Limited	1	General Partner to UK Limited Partnerships	100%
BDCP II GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BDCP II GP LLP	2	General Partner to UK Limited Partnerships	-
BDCP II GP LP	2	General Partner to UK Limited Partnerships	-
BDCP II Limited	1	Investment holding company	-
BDCP II MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BDCP II SFP GP Limited	2	General Partner to UK Limited Partnerships	100%
BDL I Carry GP LLP	2	General Partner to UK Limited Partnerships	-
BDL II Carry GP S.à r.l	3	General Partner to Luxembourg Limited Partnerships	100%
BDL III Carry GP LLP	2	General Partner to UK Limited Partnerships	-

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
BDL III FP Limited	1	Founder Partner to UK Limited Partnerships	100%
BE Advisers S.ar.L	3	Dormant entity	100%
BE II Investments (GP) Limited	1	Dormant entity	100%
BEP IV (Nominees) Limited	1	Nominee company	100%
BEP IV FP Limited	1	Founder Partner to UK Limited Partnerships	100%
BEP IV FP SGP Limited	2	General Partner to UK Founder Partner	100%
BEP IV GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BEP IV GP LLP	2	General Partner to UK Limited Partnerships	-
BEP IV GP LP	2	General Partner to UK Limited Partnerships	-
BEP IV MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BE V Germany GP Co Limited	4	General Partner to Guernsey Limited Partnership	100%
BEV FP Limited	1	Founder Partner to UK Limited Partnerships	100%
BEV FP SGP Limited	2	General Partner to UK Founder Partner	100%
BEV GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BEV GP LLP	2	General Partner to UK Limited Partnerships	100%
BEV GPC Limited	1	General Partner to UK Limited Partnerships	100%
BEV Nominees Limited	1	Nominee company	100%
BEV Nominees II Limited	1	Nominee company	100%
BEV MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BE VI FP Limited	1	Founder Partner to UK Limited Partnerships	100%
BE VI FP SGP Limited	2	General Partner to UK Founder Partner	100%
BE VI GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
BE VI GP LLP	2	General Partner to UK Limited Partnerships	-
BE VI GP LP	2	General Partner to UK Limited Partnerships	-
BE VI MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%
BE VI Nominees Limited	1	Nominee company	100%
Bridgepoint AB	5	Private equity advisory company	100%
Bridgepoint Advantage Limited	1	Dormant entity	100%
Bridgepoint Advantage MLP Limited	1	Managing Limited Partner to UK Limited Partnerships	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
Bridgepoint Advantage FP Limited	1	Founder Partner to UK Limited Partnerships	100%
Bridgepoint Advantage FP SGP Limited	2	General Partner to UK Founder Partner	100%
Bridgepoint Advantage GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
Bridgepoint Advantage GP LLP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Advantage GP LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Advantage Nominees Limited	1	Nominee company	100%
Bridgepoint Advisers Europe Limited	1	Private equity advisory company	100%
Bridgepoint Advisers II Limited	1	Private equity management company	100%
Bridgepoint Advisers Limited	1	Private equity management company	100%
Bridgepoint Advisers UK Limited	1	Private equity advisory company	100%
Bridgepoint Capital (Doolittle) Limited	1	Dormant entity	100%
Bridgepoint Capital (GP) Limited	1	General Partner to Delaware Partnership	100%
Bridgepoint Capital (Nominees) Limited	1	Nominee company	100%
Bridgepoint Capital (Nominees) 2 Limited	1	Nominee company	100%
Bridgepoint Capital Delaware GP LP	6	General Partner to UK Limited Partnerships	-
Bridgepoint Capital Directorships Limited	1	Dormant entity	100%
Bridgepoint Capital General Partner LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Capital General Partner II LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Capital Scottish GP Limited	2	General Partner to UK Limited Partnerships	100%
Bridgepoint Capital Scottish GP II Limited	2	General Partner to UK Limited Partnerships	100%
Bridgepoint Capital Partners Limited	1	Dormant entity	100%
Bridgepoint Capital Trustee Limited	1	Dormant entity	100%
Bridgepoint Capital Verwaltungs GmbH	7	General Partner to German Partnerships	100%
Bridgepoint Credit AD GP S.à r.l.	3	General Partner to Luxembourg Partnerships	100%
Bridgepoint Credit Advisers Limited	1	Credit fund advisory company	100%
Bridgepoint Credit Advisers UK Limited	1	Credit fund advisory company	100%
Bridgepoint Credit BOPIF GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Carry GP LLP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Credit Carry LP	2	Carry Partnership	-
Bridgepoint Credit Co-Invest GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Empire GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Europe Limited	1	Credit fund advisory company	100%
Bridgepoint Credit France SAS	8	Credit fund management company	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
Bridgepoint Credit GP Verwaltungs GmbH	7	General Partner to German Partnerships	100%
Bridgepoint Credit Holdings Limited	1	Investment holding company	100%
Bridgepoint Credit Limited	1	Credit fund management company	100%
Bridgepoint Credit Management Limited	1	Credit fund management company	100%
Bridgepoint Credit MSPD GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit MPD GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Nominees Limited	1	Nominee company	100%
Bridgepoint Credit Opportunities II GP GmbH & Co. KG	7	General Partner to German Partnerships	100%
Bridgepoint Credit Opportunities II GP Limited	1	General Partner to UK Limited Partnerships	100%
Bridgepoint Credit Opportunities II GP LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Credit Opportunities III GP Limited	1	General Partner to UK Limited Partnerships	100%
Bridgepoint Credit Opportunities III GP LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Credit Opportunities IV GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit SICAV GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Partners Limited	1	Dormant entity	100%
Bridgepoint Credit PPF GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Credit Services S.à r.l.	3	Credit fund advisory company	100%
Bridgepoint Credit UK Limited	1	Credit fund advisory company	100%
Bridgepoint Debt Funding Limited	1	Dormant entity	100%
Bridgepoint Debt Management Limited	1	Dormant entity	100%
Bridgepoint Debt Managers Limited	1	Dormant entity	100%
Bridgepoint Development Capital Limited	1	Dormant entity	100%
Bridgepoint Direct Lending II GP S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Direct Lending III GP S.à r.l.	3	General Partnership to UK Limited Partnerships	100%
Bridgepoint Europe (SGP) Limited	2	GP to UK Limited Partnerships	100%
Bridgepoint Europe III FP (GP) Limited	2	Founder Partner to UK Limited Partnerships	100%
Bridgepoint Europe III (GP) Limited	2	GP to UK Limited Partnerships	100%
Bridgepoint Europe III GP LP	2	GP to UK Limited Partnerships	-
Bridgepoint Europe IV (Nominees) 1 Limited	1	Nominee company	100%
Bridgepoint Europe IV (Nominees) Limited	1	Nominee company	100%
Bridgepoint Europe IV FP (GP) Limited	2	Founder Partner to UK Limited Partnerships	100%
Bridgepoint Europe IV General Partner LP	2	General Partner to UK Limited Partnerships	-

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
Bridgepoint Europe IV General Partner 'F' LP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Europe Limited	1	General Partner to UK Limited Partnerships	100%
Bridgepoint Europe Managerial LLP	1	Limited partner to UK Limited Partnerships	-
Bridgepoint Europe VII (GP) S.à r.l.	3	General Partner to Luxembourg Limited Partnerships	100%
Bridgepoint Europe VII FP Limited	1	Founder Partner to UK Limited Partnerships	100%
Bridgepoint Europe VII GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
Bridgepoint Europe VII GP LLP	1	General Partner to UK Limited Partnerships	-
Bridgepoint Europe VII Nominees Limited	1	Nominee company	100%
Bridgepoint Europe VII MLP Limited	1	Managing Limited Partner to UK Limited Partnership	100%
Bridgepoint Finance Limited	1	Dormant entity	100%
Bridgepoint GmbH	7	Private equity advisory company	100%
Bridgepoint GP2 LLP	2	General Partner to UK Limited Partnerships	-
Bridgepoint Growth I GP LLP	1	General Partner to UK Limited Partnerships	-
Bridgepoint Growth Limited	1	Dormant entity	100%
Bridgepoint Growth Nominees Limited	1	Nominee company	100%
Bridgepoint Holdings Group Limited	1	Dormant entity	100%
Bridgepoint Holdings Limited	1	Dormant entity	100%
Bridgepoint Infrastructure Advisers Limited	1	Dormant entity	100%
Bridgepoint Infrastructure Development Limited	1	Dormant entity	100%
Bridgepoint Infrastructure Limited	1	Dormant entity	100%
Bridgepoint International Limited	1	Dormant entity	100%
Bridgepoint Investment Consultants (Shanghai) Co Ltd	9	Private equity advisory company	100%
Bridgepoint Loan Fund GP GmbH & Co. KG	7	General Partner to German Partnerships	100%
Bridgepoint Loan Fund GP S.à r.l.	3	General Partner to Luxembourg Partnerships	100%
Bridgepoint Netherlands BV	10	Private equity advisory company	100%
Bridgepoint Partners Limited	1	Dormant entity	100%
Bridgepoint SAS	8	Private equity advisory company	100%
Bridgepoint Portfolio Services SAS	8	Private equity advisory company	100%
Bridgepoint Private Equity Group Limited	1	GP to UK Limited Partnerships	100%
Bridgepoint Private Equity Limited	1	Dormant entity	100%
Bridgepoint Property Advisers Limited	1	Dormant entity	100%
Bridgepoint Property Development Limited	1	Dormant entity	100%
Bridgepoint Real Estate Advisers Limited	1	Dormant entity	100%
Bridgepoint Real Estate Development Limited	1	Dormant entity	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Name	Ref	Principal activity	Company's proportion of ownership interest
Bridgepoint Real Estate Limited	1	Dormant entity	100%
Bridgepoint Real Limited	1	Dormant entity	100%
Bridgepoint SA	11	Private equity advisory company	100%
Bridgepoint Services Sarl	3	Private equity advisory company	100%
Bridgepoint Sp Zoo	12	Private equity advisory company	100%
Bridgepoint Sp Zoo sp.k	12	Private equity advisory company	100%
Bridgepoint Structured Credit Limited	1	Dormant entity	100%
Bridgepoint Team Paris S.à r.l.	14	Dormant entity	100%
Bridgepoint Ventures Limited	1	Dormant entity	100%
Bridgepoint, LLC (formerly Bridgepoint, Inc.)	15	Private equity advisory company	100%
Burgundy GP LLP	1	General Partner to UK Limited Partnerships	-
Burgundy GP 2 Limited	1	General Partner to UK Limited Partnerships	100%
George Town (Nominees) Limited	1	Dormant entity	100%
Horninghaven Limited	1	Dormant entity	100%
Horningway Limited	1	General Partner to UK Limited Partnerships	100%
HPE II GP LP	2	General Partner to UK Limited Partnerships	-
HPE SGP Limited	2	General Partner to UK Limited Partnerships	100%
LORAC 5 Limited	1	Investment holding company	100%
LORAC BC Co-Investment Limited	1	Investment holding company	100%
LORAC BC II Limited	1	Investment holding company	100%
LORAC BDC III Limited	1	Investment holding company	100%
LORAC BDC IV Limited	1	Investment holding company	100%
LORAC BDC Limited	1	Investment holding company	100%
LORAC BDCP Limited	1	Investment holding company	100%
LORAC BEP IV Limited	1	Investment holding company	100%
LORAC BE VI Co-Investment Limited	1	Investment holding company	100%
LORAC BG I Limited	1	Investment holding company	100%
LORAC Eagle Limited	1	Investment holding company	100%
LORAC KITE Limited	1	Investment holding company	100%
New HPE II GP LP	2	General Partner to UK Limited Partnerships	100%
Opal Investments LP	2	Investment holding partnership	-
PEPCO Services LLP	1	Collective purchasing negotiator	-
Ruby Investments (UK) Limited	1	Investment holding company	100%
Ruby Germany GP Limited	4	General Partner to Guernsey Limited Partnership	100%
Sapphire Investments (Guernsey) Limited	4	Investment holding company	100%
Throttle Nominees Limited	1	Nominee company	100%

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Investments in subsidiaries (continued)

Ref	Registered office
1	95 Wigmore Street, London, W1U 1FB, UK
2	50 Lothian Road, Edinburgh, EH3 9WJ, UK
3	Avenue Charles de Gaulle, L-1653, Luxembourg
4	1 Royal Plaza, St. Peter Port, Guernsey, GY1 2HL
5	Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden
6	One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801, USA
7	Neue Mainzer Strasse 28, 60311 Frankfurt am Main, Germany
8	21 Avenue Kléber, 75116 Paris, France
9	Shanghai One ICC, 999 Huaihai Road (Middle), 20031 Shanghai, China
10	Honthorststraat 16H, 1071 DE Amsterdam, The Netherlands
11	Calle Rafael Calvo 39A-4 , 28010 Madrid, Spain
12	Marsalkowska 126/134, 00-008 Warsaw, Poland
13	21 rue La Perouse, 75116 Paris, France
14	153-155, rue du Kien, L-8030 Strassen, Luxembourg
15	10 East 53rd St. 28th Floor, New York, NY 10022, USA

11 Other investments

	(As restated) Other Investments £ 000
At 1 January 2020	112,639
Additions	47,245
Disposals	(43,879)
Change in fair value	32,041
Foreign exchange	6,047
At 31 December 2020	154,093
At 1 January 2021	154,093
Additions	48,989
Disposals	(18,608)
Change in fair value	58,978
Foreign exchange	(10,243)
At 31 December 2021	233,209

Other investments, which are held at fair value, primarily consist of commitments made in relation to Bridgepoint fund vehicles and related investor co-investment vehicles. These include investments within Bridgepoint VI, V and III private equity funds, the Bridgepoint Credit I, II, Direct Lending I, II and Credit Opportunities III funds. Other investments also includes investments made by the Company into entities which are the Founder Partner to Bridgepoint fund vehicles.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Other investments (continued)

The Company has an investment in Opal Investments LP, which is an investor in the Bridgepoint Europe V Fund partnerships. Under the limited partnership agreement, a third party had the right to receive up to 100% of the profits from the partnership unless the Group exercised an option to trigger up to 85% of the profits of the partnership from the date of the exercise of the option. Effective 31 December 2020, the option was exercised therefore 85% of current year and accumulated prior year profits from the partnership have been recognised by the Company within the profit and loss account as income from investment in limited partnerships. The amount recognised in the profit and loss account for the current year is £31,815,000 (2020: £22,027,000).

12 Carried interest receivable

	(As restated)	
	2021 £ 000	2020 £ 000
As at 1 January	24,682	12,728
Additions	-	1,129
Change in value	15,919	12,125
Disposals	(2,695)	(2,008)
Foreign exchange movements	(929)	708
As at 31 December	<u>36,977</u>	<u>24,682</u>

The Company is entitled to receive carried interest, once triggered, from Bridgepoint Europe V FP LP, BDC III FP LP, BBTPS FP LP, Bridgepoint Capital General Partner LP and Bridgepoint Capital General Partner II LP, limited partnerships incorporated and registered in Scotland.

13 Debtors

	(As restated)	
	2021 £ 000	2020 £ 000
Amounts due within one year:		
Amounts owed by group undertakings	81,755	181,926
Other debtors	2,370	4,337
Prepayments and accrued income	5,990	4,395
	<u>90,115</u>	<u>190,658</u>

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

13 Debtors (continued)

Amounts owed by group undertakings represent short term receivables due from the shareholders and other group entities. Of this, £7m (2020: £41.5m) represents receivable due from a loan to Opal Investments LP. This is repayable on demand and accrues interest at 4.25%. The remaining amounts are unsecured, interest free, have no fixed date of repayments and are payable on demand.

(As restated)

	2021 £ 000	2020 £ 000
Amounts due in more than one year:		
Amounts owed by group undertakings	3,199	3,440
	<u>3,199</u>	<u>3,440</u>

Amounts due from group undertakings comprise a loan due from a fellow group undertaking. This loan was previously held as an interest free loan, however on 31 December 2021, the loan agreement was modified to introduce a market interest rate of 3.5% with all other terms remaining the same. It is treated as a basic debt instrument and recognised at transaction price measured at amortised cost using the effective interest rate method.

14 Creditors: amounts falling due within one year

(As restated)

	2021 £ 000	2020 £ 000
Amounts owed to group undertakings	319,694	217,017
Other creditors	9,921	3,492
Accruals and deferred income	223	602
	<u>329,838</u>	<u>221,111</u>
Due after one year		
Other non-current financial liabilities	<u>12,934</u>	<u>-</u>

Amounts owed to group undertakings comprise payments made by another group entity on behalf of the Company. These amounts are unsecured, interest free, have no fixed date of repayments and are payable on demand.

In April 2021, a subsidiary company, Bridgepoint Credit Holdings Limited, issued shares to certain employees of the Group as part of a management incentive scheme. The shares are subject to a put and call option, whereby the participating employees have the option to sell and the Company has the option to buy back the shares in the future based upon a pre-determined formula which considers the amount of funds raised and the resulting management fees over a five year-period. As at 31 December 2021, no expenses have been incurred.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

15 Loans and borrowings

	2021 £ 000	2020 £ 000
Loans and borrowings	-	89,566

On 19 October 2020, a Revolving Credit Arrangement facility was put in place for £125m for a period of three years. At 31 December 2021, no amounts had been drawn (2020: £90.7m).

Loans and borrowings balances include capitalised arrangement fees which are being amortised to the Profit and Loss Account using the effective interest method over the term of the facility.

Net debt reconciliation

	1 January 2021 £ 000	Cash flows £ 000	Foreign currency movement £ 000	Reclass to capitalised fees £ 000	At 31 December 2021 £ 000
Borrowings	89,566	(87,875)	(2,858)	1,167	-

16 Financial instruments

	2021 £ 000	2020 £ 000
Financial Assets		
Loan provided to subsidiary at amortised cost	7,001	41,536
Investments measured at fair value through Profit and Loss	236,408	159,949
Investments measured at lower of cost less impairment	112,400	26,329
	<u>355,809</u>	<u>227,814</u>

17 Financial risk management

Market risk

Market risk is the potential for changes in value of the underlying financial instruments and accompanies the potential for both losses and gains. The Company's unquoted investments are susceptible to market risk arising from uncertainties about future values of the investments. The Company's subsidiaries manages the acquisition and divestment of private equity investments and monitors the performance of investments held by the Company on an ongoing basis.

The Company's investments and loans may be in currencies other than the functional currency. The Company manages this risk through funding its investment in the underlying currency. Additionally, the Company may use FX forward and swap agreements to reduce the currency exposure.

For illustrative purposes, for the year ended 31 December 2021, a change of +/-10% in the fair value of investments would have resulted in a change in the Company's fair value of +/- £24.8 million. The analysis is designed solely to give an indication of the impact of certain changes to the Company's fair value.

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

17 Financial risk management (continued)

Credit risk

Credit risk is the risk that a counterparty will be unable to meet their obligations in full, when due. Potential areas of credit risk consist of cash and cash equivalents, including deposits with banks and financial institutions, short-term receivables and investments, including bonds issued by a subsidiary company. The maximum exposure to credit risk at the reporting date of these financial assets is their carrying amount. The Company limits its exposure in relation to cash balances by only dealing with well-established financial institutions of high quality credit standing.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. Along with its cash reserves, the Company has the use of a Revolving Credit Facility, to assist in managing liquidity. The risk is not considered to be material as the majority of the balances are held with other Group companies.

18 Called up share capital

Authorised

	2021		2020	
	No.	£ 000	No.	£ 000
Ordinary Shares of £1 each	<u>5,329,000</u>	<u>5,329</u>	<u>5,329,000</u>	<u>5,329</u>

Allotted, called up and fully paid shares

	2021		2020	
	No.	£ 000	No.	£ 000
Ordinary Shares of £1 each	<u>5,329,000</u>	<u>5,329</u>	<u>5,329,000</u>	<u>5,329</u>

The shares have the rights and restrictions as set out in the Articles of Association of the Company.

19 Dividends

The Company has not paid a dividend in the year (2020: £20m).

Bridgepoint Advisers Holdings

Notes to the Financial Statements for the Year Ended 31 December 2021

20 Parent and ultimate parent undertaking

The Company's immediate parent is Bridgepoint Advisers Group Limited, incorporated in England and Wales, United Kingdom. The address of Bridgepoint Advisers Group Limited's registered office is 95 Wigmore Street, London, England, W1U 1FB.

The parent of the largest and smallest group in which these financial statements are consolidated is Bridgepoint Group plc, incorporated in England and Wales, United Kingdom. The address of Bridgepoint Group plc's registered office is 95 Wigmore Street, London, England, W1U 1FB.

The financial statements of Bridgepoint Advisers Holdings and Bridgepoint Group plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

21 Events after the end of the reporting period

There have been no events after the reporting period that require disclosure.