

Registration number: 12164465

Bridgepoint Credit Management Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Bridgepoint Credit Management Limited
Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of Bridgepoint Credit Management Limited (the "Company") is to act as a collateral manager and investment adviser in respect of various collateralised loan obligations (CLOs) and other credit-related investment vehicles. The Company is regulated by the Financial Conduct Authority to conduct business under the requirements of the Financial Services and Markets Act 2000. There have not been any significant changes in the Company's principal activities during the year under review.

The Company forms part of the Bridgepoint group of companies (together, the "Bridgepoint Group").

Results

The profit for the financial year is £640,000 (2021: £320,000) and the the year end the Company has net assets of £1,536,000 (2021: £891,000).

Key Performance Indicators

Growth, profit before tax and performance of assets under management ("AUM") of the Company are the most important key performance indicators ("KPIs"). In 2022, AUM increased by 35% to £1,516 million (2021: £1,121 million).

The directors are of the opinion that disclosing additional KPIs, other than those above, is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties and risk management

The business is subject to risks associated with the performance of the funds managed, the tax and regulatory regimes within which the Company's business operates and attracting and retaining the services of key investment professionals and operational risks.

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:

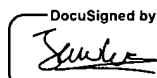
- the likely consequences of any decision in the long-term;
- the interest of the company's employees;
- the need to foster the company's relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining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

The parent entity, Bridgepoint Group plc, has a Group Board (which are the directors of Bridgepoint Group plc) which takes executive responsibility for the strategic direction of Bridgepoint Group plc and its controlled entities (the "Group") 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 and as required under the Companies Act 2006. Such matters include making commitments to investments and subsidiary companies and a decision to pay a dividend.

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 26 April 2023 and signed on its behalf by:

DocuSigned by:

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J M Lucas
Director



P Koziarski
Director

Bridgepoint Credit Management Limited
Directors' Report for the Year Ended 31 December 2022

The directors present their annual report together with the audited financial statements (the "Financial Statements") of the Company for the year ended 31 December 2022.

Results and dividends

The results for the financial year are shown on page 7.

In the year from 1 January 2022 to 31 December 2022 the directors have not proposed a dividend (2021: nil).

Future developments

The directors do not anticipate any significant change in the business of the Company.

Directors of the Company

The directors who held office during the year and to the date of signing were as follows:

H T Grant
P R Gunner (resigned on 21 Mar 2022)
P M Johnson
A D Konopelski
P Koziarski (appointed on 17 June 2022)
J M Lucas
P R De Rome (resigned on 21 Mar 2022)
R C Thompson (appointed on 11 Apr 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 are responsible for preparing the Strategic Report, the Directors' Report, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standards 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

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 Results of Bridgepoint Group plc.

Bridgepoint Credit Management Limited
Directors' Report for the Year Ended 31 December 2022

Post balance sheet events

Subsequent events are disclosed in note 16 to the financial statements.

Disclosure of information to the auditor

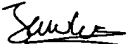
Each director at the time when the Director's Report is approved has confirmed that:

- 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.

Independent 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 26 April 2023 and signed on its behalf by:

DocuSigned by:

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J M Lucas
Director



P Koziarski
Director

Bridgepoint Credit Management Limited

Independent auditor's report to the members of Bridgepoint Credit Management Limited

We have audited the financial statements of Bridgepoint Credit Management Limited (the 'Company') for the year ended 31 December 2022 which comprise the Profit and Loss, 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 2022 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 strategic report or the directors' report.

Bridgepoint Credit Management Limited

Independent auditor's report to the members of Bridgepoint Credit Management Limited

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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, Financial Services and Markets Act and anti-money laundering regulation.

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:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and
- 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, pension legislation, FCA regulations, and 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.

Bridgepoint Credit Management Limited

Independent auditor's report to the members of Bridgepoint Credit Management Limited

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

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

26 April 2023

Bridgepoint Credit Management Limited
Profit and Loss Account for the Year Ended 31 December 2022

| | | 2022 | 2021 |
|--------------------------------------|-------------|-------------------|-------------------|
| | Note | £ 000 | £ 000 |
| Turnover | 5 | 6,414 | 3,452 |
| Management fees | 6 | (4,245) | (1,399) |
| Gross profit | | <u>2,169</u> | <u>2,053</u> |
| Administrative expenses | 7 | (1,463) | (1,616) |
| Net foreign exchange gain/(loss) | | <u>84</u> | <u>(42)</u> |
| Profit before tax | | <u>790</u> | <u>395</u> |
| Taxation | 8 | (150) | (75) |
| Profit for the financial year | | <u><u>640</u></u> | <u><u>320</u></u> |

The results above relate to continuing operations.

The notes on pages 11 to 15 form an integral part of these financial statements.

Bridgepoint Credit Management Limited
Statement of Comprehensive Income for the Year Ended 31 December 2022

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Profit for the financial year | 640 | 320 |
| Other comprehensive income: | | |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive profit for the year | <u>640</u> | <u>320</u> |

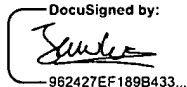
The notes on pages 11 to 15 form an integral part of these financial statements.

Bridgepoint Credit Management Limited**(Registration number: 12164465)****Balance Sheet as at 31 December 2022**

| | Note | 2022 £ 000 | 2021 £ 000 |
|--|------|----------------|----------------|
| Current assets | | | |
| Debtors | 11 | 5,989 | 3,179 |
| Cash and cash equivalents | | <u>1,280</u> | <u>976</u> |
| | | 7,269 | 4,155 |
| Current liabilities | | | |
| Creditors | 12 | <u>(5,597)</u> | <u>(3,189)</u> |
| | | (5,597) | (3,189) |
| Net current assets | | <u>1,672</u> | <u>966</u> |
| Total assets less current liabilities | | <u>1,672</u> | <u>966</u> |
| Non-current liabilities | | | |
| Deferred tax liability | 8 | <u>(136)</u> | <u>(75)</u> |
| | | (136) | (75) |
| Net assets | | <u>1,536</u> | <u>891</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 2,000 | 2,000 |
| Retained earnings | | (469) | (1,109) |
| Share based payment reserve | | <u>5</u> | <u>-</u> |
| Total equity | | <u>1,536</u> | <u>891</u> |

The financial statements of Bridgepoint Credit Management Limited on Pages 7 to 15 were approved and authorised by the Board of Directors on 26 April 2023 and signed on its behalf by:

DocuSigned by:



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J M Lucas
Director



P Koziarski
Director

The notes on pages 11 to 15 form an integral part of these financial statements.

Bridgepoint Credit Management Limited
Statement of Changes in Equity for the Year Ended 31 December 2022

| | Note | Called up share capital £ 000 | Retained earnings £ 000 | Share based payment reserve £ 000 | Total equity £ 000 |
|----------------------------|------|-------------------------------------|----------------------------|---|-----------------------|
| At 1 January 2021 | 14 | 2,000 | (1,429) | - | 571 |
| Profit for the year | | - | 320 | - | 320 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive profit | | - | 320 | - | 320 |
| At 31 December 2021 | | <u>2,000</u> | <u>(1,109)</u> | <u>-</u> | <u>891</u> |

| | Note | Called up share capital £ 000 | Retained earnings £ 000 | Share based payment reserve £ 000 | Total equity £ 000 |
|-----------------------------|------|-------------------------------------|----------------------------|---|-----------------------|
| At 1 January 2022 | 14 | 2,000 | (1,109) | - | 891 |
| Profit for the year | | - | 640 | - | 640 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive profit | | - | 640 | - | 640 |
| Share-based payment expense | | - | - | 5 | 5 |
| At 31 December 2022 | | <u>2,000</u> | <u>(469)</u> | <u>5</u> | <u>1,536</u> |

The notes on pages 11 to 15 form an integral part of these financial statements.

Bridgepoint Credit Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by shares and domiciled in the United Kingdom. The country of its incorporation is England and Wales. The address of its registered office is 5 Marble Arch, London, W1H 7EJ United Kingdom.

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 periods 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, as when it is required by FRS 102. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

(b) Going concern

The Company is a regulated entity. As such, the Company is required to maintain sufficient capital under the regulations of the Financial Conduct Authority, which it continues to do. The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, having assessed the business risks, financial position and resources of the Company. It is the intention to continue to run the business as such, there are short term and medium term financial plans that indicate the Company will continue to operate as a going concern and a reasonable expectation that those plans can be implemented.

(c) 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.

Share-based payment - the Company has also taken advantage of the exemption, under FRS paragraph 1.12 (d), from disclosing share-based payment arrangements, as the Company is a qualifying entity and share-based payment arrangements are presented with its ultimate parent, Bridgepoint Group plc, consolidated financial statements and the relevant disclosures are included therein.

(d) Revenue recognition

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

Turnover is comprised of management and advisory fees arising from contracts and is recognised in the Profit and Loss Account on an accruals basis.

Management and advisory fees are generated from companies registered in the UK and outside of the UK (details in note 5).

(e) Expenses

Expenses incurred have been recognised on an accruals basis.

(f) Taxation

Taxation expense for the year comprises of current and deferred tax recognised in the reporting year. 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 year 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 year end and that are expected to apply to the reversal of the timing difference.

Current or deferred taxation assets and liabilities are not discounted.

Bridgepoint Credit Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

3 Summary of significant accounting policies (continued)

(g) 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 rates for the month in which the transaction occurs as an approximate for the actual rate at the dates of the transactions. 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.

All differences are taken to the Profit and Loss Account.

(h) 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.

(i) 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.

(j) 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.

(k) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

(l) Pensions

The Company contributes to a defined contribution pension on behalf of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable for the year are taken to the Profit and Loss Account as incurred and recognised on an accruals basis.

(m) Share-based payment reserve

Where share options are awarded to employees, the fair value of the options at the date of grant is charged over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

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 judgments, estimates and 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 critical estimates or matters requiring significant judgement.

5 Turnover

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Management fee income non-UK | 6,120 | 2,785 |
| Advisory fee income non-UK | 294 | 489 |
| Advisory fee income UK | - | 178 |
| | <u>6,414</u> | <u>3,452</u> |

6 Management fees payable

| | 2022 | 2021 |
|-------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Advisory fee expense UK | 4,245 | 1,399 |
| | <u>4,245</u> | <u>1,399</u> |

7 Administrative expenses

| Arrived at after charging: | 2022 | 2021 |
|------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Personnel expenses | 1,179 | 1,058 |
| Other operating expenses | 196 | 454 |
| Fund administrative expenses | 54 | 52 |
| Auditors' remuneration | 34 | 52 |
| | <u>1,463</u> | <u>1,616</u> |

Bridgepoint Credit Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Income tax**(a) Tax expense included in the Profit and Loss Account**

| | 2022 £ 000 | 2021 £ 000 |
|---|---------------|---------------|
| Current taxation: | | |
| UK corporation tax on profits for the year | 89 | - |
| Total current tax | 89 | - |
| Deferred taxation: | | |
| Arising from origination and reversal of timing differences | - | - |
| Deferred tax - current year | 61 | 75 |
| Total deferred tax | 61 | 75 |
| Tax charge on profit | 150 | 75 |

(b) Reconciliation of tax charge

The tax on result before tax for the year is equal to the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Profit before tax | 790 | 395 |
| at the standard rate of corporation tax in the UK of 19% (2021: 19%) | 150 | 75 |
| Deferred tax not recognised on losses to carry forward | - | - |
| Total tax charges for the year | 150 | 75 |

As at 31 December 2022, the Company has no unrecognised deferred tax assets relating to losses carried forwards, calculated at a prospective corporation tax rate of 19% (2021: £61,000).

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 2022.

9 Employees

The average monthly number of persons employed by the Company during the year was as follows:

| | 2022 No. | 2021 No. |
|--|-------------|-------------|
| | 2 | 3 |

The aggregate payroll costs were as follows:

| | 2022 £ 000 | 2021 £ 000 |
|-------------------------------|---------------|---------------|
| Salaries and bonuses | 1,032 | 913 |
| Social security costs | 108 | 110 |
| Pension costs | 23 | 31 |
| Other personnel related costs | 16 | 4 |
| | 1,179 | 1,058 |

10 Directors' remuneration

None of the directors received any remuneration from the Company for their services during the year (2021: nil).

11 Debtors

| | 2022 £ 000 | 2021 £ 000 |
|-------------------------------------|---------------|---------------|
| Amounts due within one year: | | |
| Amounts owed by group undertakings | 2,877 | 767 |
| Prepayments and accrued income | 2,019 | 1,823 |
| Other debtors | 1,093 | 589 |
| | 5,989 | 3,179 |

Amounts owed by group undertakings represent short-term receivables due from other group entities. These amounts are unsecured, interest free, have no fixed date of repayments and are payable on demand.

Bridgepoint Credit Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Amounts owed to group undertakings | 3,640 | 1,843 |
| Accruals and deferred income | 861 | 1,035 |
| Trade creditors | 953 | 244 |
| Social security and other taxes | 120 | 21 |
| Other creditors | 23 | 46 |
| | <u>5,597</u> | <u>3,189</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.

13 Related party transactions

Amounts due from and to related parties at year end were as follows:

| Within debtors: | 2022 Transaction values £ 000 | 2022 Balance outstanding £ 000 | 2021 Transaction values £ 000 | 2021 Balance outstanding £ 000 |
|---|--|---|--|---|
| Intercompany transfers | | | | |
| Bridgepoint Credit Advisers UK Limited | 4,595 | 2,179 | - | - |
| Employee related | | | | |
| Bridgepoint Group plc | - | - | 52 | 52 |
| Advisory fees | | | | |
| Bridgepoint Credit Advisers UK Limited | - | 233 | 178 | 233 |
| BCLO Credit Investments I S.à r.l. | 294 | 465 | 482 | 482 |
| | <u>294</u> | <u>698</u> | <u>712</u> | <u>767</u> |
| Management fees | | | | |
| Bridgepoint CLO 1 Designated Activity Company | 1,259 | 324 | 1,294 | 308 |
| Bridgepoint CLO 2 Designated Activity Company | 1,418 | 764 | 767 | 762 |
| Bridgepoint CLO 3 Designated Activity Company | 1,720 | 433 | 42 | 42 |
| Swiss Capital European Private Debt Funds I | 2,266 | 632 | 934 | 934 |
| | <u>6,957</u> | <u>2,851</u> | <u>3,749</u> | <u>2,813</u> |
| Within creditors: | | | | |
| | 2022 Transaction values £ 000 | 2022 Balance outstanding £ 000 | 2021 Transaction values £ 000 | 2021 Balance outstanding £ 000 |
| Intercompany transfers | | | | |
| Bridgepoint Credit Advisers UK Limited | 5 | 5 | 105 | 105 |
| Bridgepoint Advisers Limited | 97 | 97 | 283 | 283 |
| Bridgepoint Advisers Holdings | 120 | 120 | - | - |
| Bridgepoint Group plc | 180 | 180 | - | - |
| Bridgepoint Credit Limited | 4 | 4 | 4 | 4 |
| Employee related | | | | |
| Bridgepoint Credit Advisers UK Limited | 26 | 26 | 52 | 52 |
| Advisory fees | | | | |
| Bridgepoint Credit Advisers UK Limited | 4,021 | 2,510 | 1,399 | 1,399 |
| Management fee rebate | | | | |
| CRF3 Investments I S.à r.l. | 465 | 156 | 409 | 263 |
| Empire Credit Investments I S.à r.l. | 51 | 17 | 2 | 2 |
| BC Empire Credit 2 Investments I S.à r.l. | 51 | 17 | 2 | 2 |
| | <u>5,020</u> | <u>3,132</u> | <u>2,256</u> | <u>2,110</u> |

Bridgepoint Credit Management Limited
Notes to the Financial Statements for the Year Ended 31 December 2022

14 Called up share capital**Authorised**

| | 2022 | | 2021 | |
|---------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | No. | £ 000 | No. | £ 000 |
| Class A ordinary shares of £0.10 each | 1,000 | 0 | 1,000 | 0 |
| Class B ordinary shares of £1.00 each | <u>2,000,000</u> | <u>2,000</u> | <u>2,000,000</u> | <u>2,000</u> |
| | <u><u>2,001,000</u></u> | <u><u>2,000</u></u> | <u><u>2,001,000</u></u> | <u><u>2,000</u></u> |

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|---------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | No. | £ 000 | No. | £ 000 |
| Class A ordinary shares of £0.10 each | 1,000 | 0 | 1,000 | 0 |
| Class B ordinary shares of £1.00 each | <u>2,000,000</u> | <u>2,000</u> | <u>2,000,000</u> | <u>2,000</u> |
| | <u><u>2,001,000</u></u> | <u><u>2,000</u></u> | <u><u>2,001,000</u></u> | <u><u>2,000</u></u> |

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

The class A ordinary shares hold the voting rights but do not have any rights to capital distributions or participation in dividends.

The class B ordinary shares are non-voting, but have rights to capital distributions or participation in dividends.

15 Parent and ultimate parent undertaking

The Company's immediate parent is Bridgepoint Credit Holdings Limited incorporated in England, United Kingdom and the address of its registered office is 5 Marble Arch, London, England, W1H 7EJ.

The parent of the largest and smallest group in which these financial statements are consolidated is Bridgepoint Group plc, incorporated in England, United Kingdom and the address of its registered office is 5 Marble Arch, London, England, W1H 7EJ.

These financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

16 Subsequent events

Since 31 December 2022, no significant subsequent events occurred which would require disclosure in these accounts.