

Registration number: 3220373

Bridgepoint Advisers Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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Strategic Report

Principal Activities

The Company acts as a fund manager and is regulated by the Financial Conduct Authority. The profit for the financial year is £12.3m (2015: £8.1m) and at the year end the Company has net assets of £72.0m (2015: £69.0m). The financial risks and key performance indicators are discussed in the financial statements of the ultimate parent undertaking.

In the future, the company will continue to receive Management fees from the funds it manages.

Report of the Directors

The directors present their annual report together with the audited financial statements of Bridgepoint Advisers Limited (the "Company") for the year ended 31 December 2016.

Results and dividends

The results for the financial year are shown on page 5.

In the financial year of 2016 the directors have paid a dividend of Nil (2015: £5,000,000)

Directors

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

J W M Barber	J R Hughes
C S J Barter	W N Jackson
P R Gunner	G P Weldon

Directors' Indemnity

During the year and at the time of signing, Bridgepoint Advisers Limited maintains liability insurance for directors and officers of 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 Report of the Directors and the financial statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of shareholder exemptions, if any, of FRS 102 used in the preparation of 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.

Report of the Directors (continued)

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. As far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware.

Independent auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



P R Gunner
Director

24 April 2017

Independent auditors' report

TO THE MEMBERS OF Bridgepoint Advisers Limited

Report on the Financial Statements

Our opinion

In our opinion, Bridgepoint Advisers Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account and the Statement of Comprehensive Income for the year then ended; and
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report (continued)

TO THE MEMBERS OF Bridgepoint Advisers Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

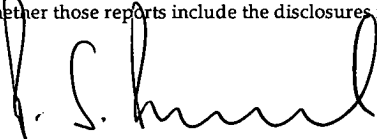
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.



Parwinder Purewal (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 April 2017

Profit and Loss Account
For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover	3 (g)	69,147	83,751
Fees payable		(42,589)	(47,714)
Gross Profit		26,558	36,037
Administrative expenses	4	(10,821)	(25,861)
Profit on ordinary activities before interest and taxation		15,737	10,176
Interest receivable and similar income		7	40
Profit before taxation	4	15,744	10,216
Tax on Profit	5	(3,492)	(2,113)
Profit after taxation for the financial year		12,252	8,103

The results above relate to continuing operations.

Statement of comprehensive income

For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Profit for the financial year		12,252	8,103
Dividends paid		-	(5,000)
Cash flow hedges			
Change in value of hedging instrument	13	(9,162)	3,812
Reclassifications to profit and loss	13	(2,380)	(858)
Total tax on components of other comprehensive income		2,308	(591)
Other comprehensive expense for the year, net of tax		(9,234)	(2,637)
Total comprehensive income for the year		3,018	5,466

The notes on pages 8 to 13 form part of these financial statements.

Balance Sheet

As at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	10	3,054	2,860
		<u>3,054</u>	<u>2,860</u>
Current assets			
Debtors	8		
Amounts owed by group undertakings		103,857	85,759
Other debtors		13,803	10,367
Financial asset	13	-	5,613
Prepayments and accrued income	8	1,810	1,105
Cash at bank and in hand		12,916	2,396
		<u>132,386</u>	<u>105,240</u>
Current liabilities			
Creditors: amounts falling due within one year	9		
Amounts owed to group undertakings		(46,088)	(34,969)
Other creditors		(6,953)	(2,546)
Financial liability	13	(5,929)	-
Accruals and deferred income		(4,487)	(1,620)
		<u>(63,457)</u>	<u>(39,135)</u>
Net current assets		68,929	66,105
Total assets less current liabilities		<u>71,983</u>	<u>68,965</u>
Net assets		<u>71,983</u>	<u>68,965</u>
Capital and reserves			
Called up Share Capital	11	5	5
Cash flow Hedge Reserve	13	(5,929)	5,613
Retained earnings		77,907	63,347
Total equity		<u>71,983</u>	<u>68,965</u>

The notes on pages 8 to 13 form part of these financial statements.

The financial statements on pages 8 to 13 were authorised for issue by the Board of Directors on 24 April 2017 and were signed on its behalf by:



P R Gunner
Director

Statement of changes in equity

For the year ended 31 December 2016

	Note	Called up share capital £'000	Retained earnings £'000	Cash flow hedge reserve £'000	Total equity £'000
Balance as at 1 January 2015		5	60,835	2,659	63,499
Profit for the financial year		-	8,103	-	8,103
Dividends payable		-	(5,000)	-	(5,000)
Fair value adjustments	13	-	(591)	2,954	2,363
Balance as at 31 December 2015		5	63,347	5,613	68,965
Balance at 1 January 2016		5	63,347	5,613	68,965
Profit for the financial year		-	12,252	-	12,252
Dividends payable		-	-	-	-
Fair value adjustments	13	-	2,308	(11,542)	(9,234)
Total transactions with owners, recognised directly in equity		-	2,308	(11,542)	(9,234)
Balance as at 31 December 2016		5	77,907	(5,929)	71,983

The notes on pages 8 to 13 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1 General Information

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 95 Wigmore Street, London, England, W1U 1FB.

2 Statement of compliance

The individual financial statements of Bridgepoint Advisers Limited 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 the 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 on a going concern basis, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss. 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 accounting policies.

(b) Exemptions 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 Limited, includes the company's cash flows in its own consolidated financial statements.

Related party transactions

Under Financial Reporting Standard 8 and FRS 102 33.1A, the Company is exempt from the requirement to disclose related party transactions within the group on the grounds that 100% of the voting rights are controlled within the group.

Lease incentive

The Company has taken advantage of the exemption in respect of lease incentives in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the Profit and Loss Account over the period to the first review date.

(c) 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 or deferred taxation assets and liabilities are not discounted.

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.

Notes to the financial statements (continued)

For the year ended 31 December 2016

3 Summary of significant accounting policies (continued)

(d) Foreign currencies

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

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at rates current at the year-end. All differences are taken to the Profit and Loss Account.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(f) Income and expense recognition

Income and expenses are recognised in the Profit and Loss Account and the Statement of comprehensive income on an accruals basis.

(g) Turnover

Turnover comprises mainly management fees earned from the management of various private equity partnerships and is recognised in the Profit and Loss Account on an accruals basis.

(h) Derivative instruments and hedge accounting

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 year-end. The company has designated the derivatives as cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in the statement of changes in equity in cash flow hedge reserves while any ineffective portion is recognised immediately in the profit and loss account as loss/gain on cash flow hedge within operating expenses. We do not consider there to be any ineffective hedges in the period covered. Derivatives are carried as assets when the fair value is positive and as a liability when fair value is negative. The fair value of the forward currency contracts is calculated by reference to the market for forward contracts with similar maturities.

Amounts recognised in the statement of total recognised gains and losses are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged cash flow matures.

(i) Pensions

Amounts payable in respect of employers contributions to the company's defined contribution pension scheme are recognised in administrative expenses on an accruals basis. The assets of the scheme are held separately from those of the Company in an independently administered fund.

(j) Placement Agents' Fees

Placement agents' fees incurred during the raising of a fund are expensed as incurred.

(k) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. They are depreciated so as to write off their cost, on a straight line basis, over their estimated useful lives as follows:

Computers, Furniture and other	3 to 5 years
Leasehold Improvements	Over the lease term

(l) Operating Lease Rentals

Rentals under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term in line with UITF 28.

(m) 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.

Notes to the financial statements (continued)

For the year ended 31 December 2016

4 Profit before taxation	2016	2015
	£'000	£'000
This is stated after charging:		
Administrative expenses	21,957	23,521
Audit fees	268	80
Net foreign exchange (gains)/losses	(14,599)	(827)
Depreciation	897	789
Operating lease rentals		
- land and buildings	2,265	2,265
- other	34	34
	<u>10,822</u>	<u>25,861</u>

Audit fees charged include amounts in relation to the audit of certain other group companies. £30k (2015: £29k) related to the audit of the Company.

The foreign exchange (gain)/loss relates to the impact of foreign denominated transactions as well as foreign dominated assets and liabilities. An amount of -£2.3m relates to the retranslation of amounts owed to/by group undertakings issued in previous periods.

5 Tax on Profit

	2016	2015
	£'000	£'000
(a) Tax expense included in Profit or Loss account		
Current tax:		
UK Corporation tax on profits for the Year	3,331	202
Adjustment in respect of prior periods	187	(310)
Total current tax	<u>3,518</u>	<u>(108)</u>
Deferred tax:		
Origination and reversal of timing differences	20	1,933
Adjustment in respect of prior periods	(46)	288
Total deferred tax	<u>(26)</u>	<u>2,221</u>
Tax on Profit	<u>3,492</u>	<u>2,113</u>

(b) Reconciliation of tax charge

Tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015:20.25%) The differences are explained below:

Profit before taxation	15,744	10,216
Tax on Profit before taxation at the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	3,149	2,068
<i>Effects of:</i>		
Expenses not deductible for tax purposes	206	231
Deduction from employee share acquisitions	-	(134)
Effect on tax rate changes	(4)	(30)
Adjustment in respect of prior periods	141	(22)
Total tax charges for the year	<u>3,492</u>	<u>2,113</u>

Notes to the financial statements (continued)

For the year ended 31 December 2016

6 Employees

The average monthly number of employees during the year was 46 (2015: 46).

	2016 £'000	2015 £'000
Wages and salaries	5,647	4,991
Staff bonuses	4,342	4,975
Social security costs	1,371	1,183
Pension costs	651	258
Other staff costs	376	358
	<u>12,386</u>	<u>11,765</u>

7 Directors' remuneration

	2016 £'000	2015 £'000
Aggregate emoluments	<u>3,432</u>	<u>3,516</u>
Pension contributions	<u>46</u>	<u>125</u>
Total emoluments of highest paid director including pension contributions	<u>1,160</u>	<u>1,107</u>

8 Debtors

	2016 £'000	2015 £'000
Amounts due within one year:		
Amounts owed by group undertakings	103,857	85,759
Other debtors	13,803	10,367
<i>Group relief</i>	310	310
<i>Deferred taxation</i>	46	20
<i>Deferred taxation on components of other comprehensive income</i>	1,185	-
Prepayments and Accrued Income	1,810	1,105
	<u>119,470</u>	<u>97,231</u>

Amounts owed by group undertakings represent short term receivables due from the shareholders and other group entities. These amounts should be repaid to the Company upon demand.

9 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	46,088	34,969
Other creditors	6,953	2,546
<i>Group relief</i>	3,720	202
<i>Deferred taxation on components of other comprehensive income</i>	-	1,123
Dividends payable	-	-
Accruals and deferred income	4,487	1,620
	<u>57,528</u>	<u>39,135</u>

Amounts owed to group undertakings comprise payments done by another group entity on behalf of the Company. These amounts should be paid by the Company upon demand.

Notes to the financial statements (continued)

For the year ended 31 December 2016

10 Tangible assets

	Leasehold Improvements £'000	Computers, Furniture and Other £'000	Total £'000
<i>Cost</i>			
At 1 January 2016	2,253	3,341	5,594
Additions	818	273	1,091
Disposals	-	-	-
At 31 December 2016	<u>3,071</u>	<u>3,614</u>	<u>6,685</u>
<i>Accumulated Depreciation</i>			
At 1 January 2016	(543)	(2,191)	(2,734)
Charged in the year	(254)	(643)	(897)
Disposals	-	-	-
At 31 December 2016	<u>(797)</u>	<u>(2,834)</u>	<u>(3,631)</u>
<i>Net book value at</i>			
At 31 December 2015	1,710	1,150	2,860
At 31 December 2016	<u>2,274</u>	<u>780</u>	<u>3,054</u>

11 Called up share capital

	2016 Number	2016 £'000	2015 Number	2015 £'000
<i>Authorised:</i>				
Ordinary Shares of £1	50,000	50	50,000	50
	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>
<i>Allotted, called up and fully paid:</i>				
Ordinary Shares of £1	5,000	5	5,000	5
	<u>5,000</u>	<u>5</u>	<u>5,000</u>	<u>5</u>

12 Operating lease commitments

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

	2016 Land and Buildings £'000	2016 Other £'000	2015 Land and Buildings £'000	2015 Other £'000
Expiry date				
- within one year	-	-	-	-
- between two and five years	-	34	-	34
- after five years	2,664	-	2,664	-
	<u>2,664</u>	<u>34</u>	<u>2,664</u>	<u>34</u>

Notes to the financial statements (continued)

For the year ended 31 December 2016

13 Financial Derivatives

The Company has entered into a series of forward trades and swap agreements to sell EUR and buy GBP at various dates in the future to reduce the currency exposure of EUR denominated income to future spot rate volatility. At 31 December 2016 the Company had £126.6m (2015: £73.4m) of Forward trades maturing through 2017-2020 to match certain expected future cash flows. The aggregate mark-to-market negative value of these hedges at 31 December 2016 was -£5.9m (2015: £5.6m). These hedges are in place to match known future cash flows, and the Company has decided to use Cash Flow Hedge Accounting as allowed and determined under FRS 102.

The effective portion of the gain or loss on these hedging instruments are recognised in the statement of changes in equity in cash flow hedge reserves while any ineffective portion is recognised immediately in the profit and loss account as loss/gain on cash flow hedge within operating expenses. The change in value that has been recognised through profit and loss (ineffective portion) is nil (2015: nil) and the amount recognised in the cash flow hedge reserves during the year (effective portion) is -£9.1m (2015: £3.8m). The value of the forward trades is recognised through the Profit and Loss Account at the point of maturity of each trade and which will match the recognition of certain of the underlying cash flows of the business which the hedges relate to. During 2016 hedges with a value of £2.4m at the prior year end were released to the profit and loss (2015: £0.9m).

14 Controlling parties

The results of the Company are consolidated in the group financial statements of Bridgepoint Group Limited. The ultimate parent undertaking and controlling party is Bridgepoint Group Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Bridgepoint Group Limited are available at Companies House, Crown Way, Cardiff.