Registration number 3880081

BRIDGEPOINT ADVISERS GROUP LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Managing Partner's Statement

I am pleased to report that the Bridgepoint Advisers Group of Companies enjoyed a strong 2012 During the year the group's managed funds committed over €800m of new equity to fund some €1 9 billion of acquisitions and returned some €892 million of capital to investors as a result of the successful realisations of investments

This performance has enabled the company to record strong profitability, albeit below that achieved in 2011 with profit before taxation for the year ended 31 December 2012 on ordinary activities of £22 6 million (2011 £39 million) This reduced level of profitability primarily reflects two things

- A reduction in the group's overall fee income from funds under management as the Firm successfully realised Fund investments and returned capital to investors This was in line with expectations and reflects the normal activity cycle of funds under management (and our company profitability) which typically peaks immediately following a new fund raise and reduces each year thereafter (as capital raised is returned) until a successor fund is raised, and

- A reduction in the sterling holding value of the substantial Euro investments owned by the company reflecting a fall in the sterling/ euro rate over the 12 months from 31 December 2011 to 31 December 2012

Business Overview

In 2012 every company, irrespective of its ownership model, had to think long and hard about how to react to the economic dislocation in Europe Paradoxically, for Bridgepoint and many of the portfolio companies it owns across Europe, it also represented an opportunity to take advantage of these conditions to make both new investments and bolt-on acquisitions for existing portfolio companies Against this backdrop, we were able to seek out good opportunities at attractive prices for our Funds to invest in middle market European businesses and committed over €800m (2011 £1 2 billion) of new equity to some €1 9 billion of acquisitions including completing 36 add-on acquisitions for existing companies

Bridgepoint's continued focus on investments in six core sectors (Business services, Consumer, Financial services, Healthcare, Manufacturing & Industrials, and Media & Technology) was evident in the 2012 investment activities of our most recent middle market Fund, the €4 8 billion Bridgepoint Europe IV where completed transactions included, Borawind, one of the largest non-utility owned platforms of wind energy generation plants in Spain, in France, Compagnie du Ponant, the market leader in luxury polar cruises, and in the UK, Quilter, a private wealth management business This Fund has now invested in 19 transactions, the majority of which are primary buyouts, creating a portfolio well diversified by sector, geography and vintage year

Our lower middle market Fund, Bridgepoint Development Capital, which specialises in smaller buyouts, also made strong progress in the year, completing two investments and committing over €54 million of capital BigHand, a UK-based provider of digital dictation and workflow software, and Memnon, the market leading system for transport booking and administration in the Nordic region

As a result of Bridgepoint's deliberate strategy of investing in businesses with strong market positions, combined with generally low levels of leverage, our portfolio has on the whole been able to withstand current economic pressures This has led to strong performance with our Funds' investments collectively generating 10% and 11% year-on-year average revenue and EBITDA growth respectively, the third year of double digit rates of growth This is especially encouraging as value creation in mid-market businesses is primarily generated by underlying earnings growth and business repositioning rather than reliance on the impact of leverage or recovering multiples

In 2012 the Firm was also able to capitalise on selective windows of opportunity in the exit and financing markets to return €892 million to investors Four successful realisations at an average multiple of cost of 2 6x were achieved including the sale of Alain Afflelou in France and Dorna in Spain There was also continued de-leverage in many of the companies we own and in some cases a return of capital to investors or repayment of the higher cost elements of debt structures

Managing Partner's Statement (continued)

People

We are fortunate in the breadth and depth of talent we can call upon within our Firm but also keen to learn from others In 2012 we therefore continued to attract new individuals to the business to bring new perspectives to what we do and also evolved our organisational structure to accommodate generational change within the Firm This resulted in a modest increase in headcount and associated costs

Outlook

While the outlook for Europe is more favourable than it was 12 months ago, national economies will continue to experience economic and political headwinds We believe that Bridgepoint's innate strengths – its competitive position, broad network and long experience – will allow it to acquire good companies at compelling prices in the most attractive markets, and, importantly, to return capital profitably to investors I say so because we remain well-funded and well-resourced thanks in no small part to the commitment of the people across Europe who work in Bridgepoint-owned businesses and I thank them all for their contribution over the last 12 months

William Jackson
Managing Partner

A more detailed review of 2012 can be found in the Bridgepoint Annual Review located on the Bridgepoint website at www bridgepoint eu

Directors' Report

The directors present their annual report together with the audited consolidated financial statements of Bridgepoint Advisers Group Limited (the "Company") for the year ended 31 December 2012

Principal activity and review of the business

The principal activity of the Group is to act as a private equity fund manager The directors are satisfied with the results for the year and anticipate activities to continue at similar levels in the coming year The Group operations expose it to certain financial risks and accordingly it has appropriate controls and procedures in place that seek to limit any adverse effects on the financial performance of the Group The main risk factors affecting the Group are

Macroeconomics Bridgepoint invests in businesses headquartered in Europe and their, as well as our own, performance can be influenced by a range of macroeconomic factors such as foreign exchange and interest rates, commodity prices and availability of debt finance Such macroeconomic risk is mitigated by the geographic and sector diversification of our fund investments and by partners of Bridgepoint and the directors of the businesses in which we are invested taking appropriate operational action to manage or minimise the direct impact of any of these factors

People Bridgepoint recognises the critical importance of attracting, developing and maintaining the best people to the Firm and the businesses it acquires The firm therefore conducts regular reviews of its talent pool and has in place well-defined values and career & incentive programmes to encourage staff retention

Funding Our ability to access funds to finance future investment activity is dependent on the availability of new funds from existing and new limited partners We mitigate this risk by a combination of professional investor relations in the form of sustained investor calling programmes, quarterly reporting, an annual meeting of investors and targeting of new investors wishing to enter the private equity asset class as part of a broader asset allocation programme

Results and Dividends

The directors have paid dividends in total of £9,242,000 (2011 £7,717,000) The retained profit of £10,632,000 has been transferred to reserves (2011 £34,028,000)

Charitable donations

During the year the Group made charitable donations of £218,000 (2011 - £293,000)

Directors

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

C S J Barter
A R Gibbons
J R Hughes
W N Jackson

Directors' Indemnity

Bridgepoint Advisers Limited maintains liability insurance for directors and officers of the Bridgepoint group and associated companies, which includes the Company This is a qualifying indemnity provision for the purpose of the Companies Act 2006

Directors' Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Group and the company and of the profit or loss of the group 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 UK accounting standards 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 and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

By Order of the Board

J R Hughes
Director

18 September 2013

Independent auditors' report

TO THE MEMBERS OF BRIDGEPOINT ADVISERS GROUP LIMITED

We have audited the Group and parent company financial statements (the "financial statements") of Bridgepoint Advisers Group Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities as set out on page 4, 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) 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

Scope of the audit of the financial statements

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 Group's and parent 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 In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2012 and of the Group's profit and cash flows 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

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

18 September 2013

Consolidated Profit and Loss Account

For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Turnover	1 (k)	94,232	110,167
Fees payable		(4,408)	(4,283)
Gross profit		89,824	105,884
Administrative expenses		(68,020)	(68,246)
Operating profit		21,804	37,638
Interest receivable and similar income		1,180	1,627
Interest payable and similar charges		(328)	(259)
Profit on ordinary activities before tax	2	22,656	39,006
Gross tax charge for year	5	(5,436)	(13,540)
Impact of corporation tax rate change on deferred tax	5	2,632	2,586
Tax credit on dividend income	5	-	13,693
Profit on ordinary activities after tax	14	19,852	41,745
Equity minority interests		22	-
Dividends paid	14	(9,242)	(7,717)
Retained profit for the financial year		10,632	34,028

The results above relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2012

	2012 £'000	2011 £'000
Profit for the financial year	19,852	41,745
Exchange adjustments on overseas subsidiary translations	(118)	(88)
Total gains and losses recognised since the last annual report	19,734	41,657

The notes on pages 10 to 20 form part of these financial statements

Consolidated Balance Sheet

31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Intangible assets - goodwill	6	2,142	3,862
Tangible assets	7	2,629	2,110
Investments	8	90,674	72,152
		95,445	78,124
Current assets			
Debtors - amounts falling due within one year	9	14,522	14,605
Cash at bank and in hand		76,706	99,246
		91,228	113,851
Creditors amounts falling due within one year	10	(44,338)	(55,897)
Net current assets		46,890	57,954
Total assets less current liabilities		142,335	136,078
Creditors amounts falling due after more than one year	11	(2,348)	(429)
Provisions for liabilities and charges	12	(34,189)	(33,053)
Net assets		105,798	102,596
Capital and reserves			
Called-up share capital	13	21	25
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	23	19
Own shares held by ESOT	14	(578)	(2,955)
Other reserves	14	1,760	1,878
Profit and Loss Account	14	103,430	102,465
Total Shareholders' Funds	14	105,820	102,596
Minority interests		(22)	-
Capital employed		105,798	102,596

The financial statements on pages 6 to 20 were approved by the Board of Directors and signed on its behalf by

J R Hughes
Director

18 September 2013

The notes on pages 10 to 20 form part of these financial statements

Company Balance Sheet

31 December 2012

	Notes	2012	2011
		£'000	£'000
Fixed assets			
Investments	8	69,204	55,080
		69,204	55,080
Current assets			
Debtors - amounts falling due within one year	9	20,305	15,941
Cash at bank and in hand		699	245
		21,004	16,186
Creditors. amounts falling due within one year	10	(83,122)	(47,880)
Net current liabilities		(62,118)	(31,694)
Total assets less current liabilities		7,086	23,386
Creditors amounts falling due after more than one year	11	(1,539)	(429)
Net assets		5,547	22,957
Capital and reserves			
Called-up share capital	13	21	25
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	23	19
Own shares held by ESOT	14	(578)	(2,955)
Profit and Loss Account	14	4,917	24,704
Total Shareholders' Funds	14	5,547	22,957

The financial statements on pages 6 to 20 were approved by the Board of Directors and signed on its behalf by

J R Hughes
Director

18 September 2013

The notes on pages 10 to 20 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 December 2012

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Net cash inflow from operating activities	15a		16,366		49,412
Returns on investments and servicing of finance					
Interest received		1,183		1,253	
Interest paid		(328)		(259)	
Net cash inflow from returns on investments and servicing of finance			855		994
Taxation					
Tax paid		(676)		(639)	
Net cash outflow from taxation			(676)		(639)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,611)		(436)	
Fixed asset investments acquired		(25,317)		(19,056)	
Fixed asset investments disposed		4,375		7	
Net cash outflow from capital expenditure and financial investment			(22,553)		(19,485)
Dividends paid			(9,242)		(7,717)
Net cash (outflow) inflow before financing			(15,250)		22,565
Financing					
New bank and other loans					
Purchase of own shares		(7,290)		(28)	
Shares issued		-		-	
Net cash outflow from financing			(7,290)		(28)
(Decrease) increase in cash in the year	15b		(22,540)		22,537

The notes on pages 10 to 20 form part of these financial statements

Notes to financial statements
For the year ended 31 December 2012

1 Accounting policies
A summary of the principal accounting policies all of which have been applied consistently throughout the year is set out below

a) Accounting convention
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006

b) Basis of consolidation
The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings which includes the elimination of all intra-Group transactions Uniform accounting policies have been adopted across the Group Bridgepoint Advisers Group Limited is the only company within the group to consolidate its financial statements

Purchased goodwill arising on consolidation in respect of the acquisition of investments has been capitalised and is amortised on a straight line basis over its estimated useful life The Company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount

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

No Profit and Loss Account is presented for the parent company as permitted by section 408 of the Companies Act 2006 The Company's loss for the financial year ending 31 December 2012, determined in accordance with the Act was £878,000 (2011 - profit £24,819,000)

c) 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

Motor vehicles	5 years
Computers, furniture and other	3 to 5 years
Leasehold improvements	Over the lease term

d) Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated to sterling at rates current at the year end The results of overseas subsidiary undertakings are translated at the average rate of exchange for the year Exchange differences arising from translation of opening net assets of overseas subsidiary undertakings are taken to reserves Transactions in foreign currencies are translated at the average rate All differences are taken to the Profit and Loss Account

e) Taxation
Corporation tax is provided on taxable profits at the current rate

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date except that the recognition of deferred tax assets is limited to the extent that the Group anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying difference Deferred tax balances are not discounted

f) Pensions
Amounts payable in respect of employers contributions to the Group'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 Group in an independently administered fund

1 Accounting policies (continued)

g) Placement agents' fees

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

h) Employee Share Ownership Trust

The Company is deemed to have control of the assets, liabilities, income and costs of its Employee Share Ownership Trust (ESOT) In accordance with UITF 38 own shares held have been deducted from shareholders' funds on the consolidated and Company Balance Sheets

Any borrowings of the ESOT, which have been guaranteed by the Company, are included in borrowings with the net financing costs of the ESOT being shown as finance charges in the Profit and Loss Account

i) Operating lease rentals

Rentals under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term, even if the payments are not made on such a basis

j) Investments

Investments are held at cost less provision for any impairment in value

k) Turnover

Turnover principally comprises fees from the management of Private Equity funds Turnover is stated net of VAT Income is recognised on an accruals basis

2 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging

	2012 £'000	2011 £'000
Amortisation of goodwill	1,720	1,720
Depreciation	1,065	1,031
Operating lease rentals		
- land and buildings	3,332	2,926
- other	161	155
Auditors' remuneration		
- Group	222	215
- Company	20	21
Other fees paid to auditors		
- taxation fees	237	58
- due diligence fees	223	179
- other consultancy	31	96

Notes to financial statements (continued)
For the year ended 31 December 2012

3 Staff costs

The monthly average number of persons, including directors, employed by the Group during the year was as follows

	2012 Number	2011 Number
Directors	4	4
Executives (including Directors of subsidiary undertakings)	83	79
Administrative staff	72	67
	159	150

Employee costs (including directors) for the year amounted to

	2012 £'000	2011 £'000
Wages and salaries	20,358	19,441
Staff bonuses	14,591	13,095
Social security costs	5,821	5,606
Pension costs	1,104	2,171
Other staff costs	509	1,932
	42,383	42,245

Directors' remuneration

Directors' remuneration was as follows

	2012 £'000	2011 £'000
Aggregate emoluments	2,877	2,166
Pension contributions	27	188
Total emoluments of highest paid director (including pension contributions)	1,111	763

The emoluments paid to the Directors are all paid by a subsidiary undertaking and relate to services provided both to this company and subsidiary companies

4 Pension contributions

The Group operates a defined contributions pension scheme for its Directors and Employees The assets of the scheme are held separately from those of the Company in an independently administered fund The scheme is a non-contributory scheme but does permit employee contributions The pension cost charge for the year has been shown as part of the staff costs in note 3

The Company operates a bonus sacrifice scheme At 31 December 2012, pension contributions of £249,000 (2011 - £1,298,000) payable under this scheme were included within other creditors in the Balance Sheet

Notes to financial statements (continued)
For the year ended 31 December 2012

5 Gross tax charge for year

	2012	2012	2011	2011
	£'000	£'000	£'000	£'000
Gross tax charge for year		5,436		13,540
Impact of corporation tax rate change on deferred tax		(2,632)		(2,586)
Tax credit on dividend income		-		(13,693)
Total tax charge		**2,804**		**(2,739)**
The tax charge for the year comprises				
UK tax		1,136		(3,503)
Current	-		-	
Deferred - excluding corporation tax rate change	*3,768*		*(917)*	
Deferred - corporation tax rate change	*(2,632)*		*(2,586)*	
	1,136		*(3,503)*	
Foreign tax - current		1,668		766
Under provision for corporation tax in previous year		-		(2)
		2,804		(2,739)

Factors affecting the current tax charge
The effective rate of tax for the current year differs to the standard rate of UK corporation tax of 24 5% (2011 26 5%), mainly due to timing differences as explained below

	2012	2011
Profit on ordinary activities before tax	22,656	39,006
Profit on ordinary activities at the standard rate of UK tax	**5,551**	**10,337**
Dividend income already taxed	-	(13,693)
Expenses not deductible for tax purposes	659	657
Capital allowances for year in excess of depreciation	65	41
Permanent differences	-	(428)
Other timing differences	(6,154)	2,769
Income not in accounts charged to corporation tax	556	760
Overseas tax in excess of standard UK corporation tax rate	991	323
Under provision for corporation tax in previous year	-	(2)
Current tax charge for year	**1,668**	**764**
Deferred tax charge excluding corporation tax rate change	3,768	(917)
Tax credit on dividend income	-	13,693
Gross tax charge	**5,436**	**13,540**

6 Goodwill

	Group
Cost	£'000
Beginning and end of year	10,340
Accumulated Amortisation	
Beginning of year	6,478
Amortisation during the year	1,720
End of year	8,198
Net book value	
At beginning of year	3,862
At end of year	2,142

The goodwill arising on the acquisition in May 2009 from Hermes Fund Managers Limited is being amortised on a straight-line basis over four years The historic goodwill is being amortised over twenty years

7 Tangible fixed assets

The movement in the year was as follows	Leasehold Improvements	Motor Vehicles	Computers, Furniture and Other	Total
Group	£'000	£'000	£'000	£'000
Cost or valuation				
Beginning of year	3,146	82	3,234	6,462
Foreign exchange movement	(4)	1	(34)	(37)
Additions	726	-	885	1,611
Transfers	(70)	-	70	-
Disposals	(268)	-	(113)	(381)
End of year	3,530	83	4,042	7,655
Accumulated Depreciation				
Beginning of year	(2,057)	(16)	(2,279)	(4,352)
Foreign exchange movement	9	-	(8)	1
Charge	(579)	(17)	(469)	(1,065)
Transfer	48	-	(48)	-
Disposals	281	-	109	390
End of year	(2,298)	(33)	(2,695)	(5,026)
Net book value				
Beginning of year	1,089	66	955	2,110
End of year	1,232	50	1,347	2,629

8 Fixed assets investments

Group	Other Investments £'000	Total £'000
Beginning of year	72,152	72,152
Additions	25,317	25,317
Disposals	(4,375)	(4,375)
Foreign exchange movement	(2,420)	(2,420)
End of year	90,674	90,674

Company	Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
Beginning of year	7,202	47,878	55,080
Additions	-	20,175	20,175
Disposals	-	(4,377)	(4,377)
Foreign exchange movement	-	(1,674)	(1,674)
End of year	7,202	62,002	69,204

Notes to financial statements (continued)
For the year ended 31 December 2012

8 Fixed assets investments (continued)

a) Other investments
The other investments primarily represent loans made to and preference shares in Sapphire Investments (Guernsey) Limited as part of the requirement of Bridgepoint Europe III and loans made to and preference shares in Ruby Investments (Guernsey) Limited for Bridgepoint Europe IV

The Group includes subsidiaries, listed below, that manage Private Equity partnerships in which they have participating interests, albeit small, and for which they act as General Partner These partnerships are subsidiary undertakings under the Companies Act 2006 As allowed by Section 405(2) of the Act, the directors have departed from the requirement to consolidate these subsidiary partnerships since the economic interest of the Group in these partnerships is, except to the extent that they are proportionally consolidated, merely that of investment manager The directors are of the opinion that were these partnerships consolidated, the Group financial statements would not show a true and fair view

The interests of the Group in qualifying partnerships have been incorporated in the financial statements of the Group by the equity method of proportional consolidation, thereby exempting it from the requirements of the Partnerships and Unlimited Companies Accounts (Regulations) 1993

b) Subsidiary undertakings
The parent company has investments in the following principal subsidiary undertakings

Name	Country of Incorporation	Nature of business
Bridgepoint Advisers Holdings *	England	Investment holding company
Bridgepoint Advisers Limited	England	Private equity management company
Bridgepoint Private Equity Limited	England	Private equity management company
Bridgepoint Advisers II Limited	England	Private equity management company
Bridgepoint France SAS	France	Private equity management company
Bridgepoint SpA **	Italy	Private equity advisory company
Bridgepoint GmbH	Germany	Private equity advisory company
Bridgepoint SA	Spain	Private equity advisory company
Bridgepoint AB	Sweden	Private equity advisory company
Bridgepoint Sp Zoo	Poland	Private equity advisory company
Bridgepoint Oy	Finland	Private equity advisory company
Bridgepoint Advisers Europe Limited	England	Private equity advisory company
Bridgepoint Advisers UK Limited	England	Private equity advisory company
BE Advisers S àr L	Luxembourg	Private equity advisory company
PEPCO Services LLP	England	Collective purchasing negotiator
Bridgepoint Private Equity Growth Fund Limited *	England	General Partner to UK Limited Partnerships
Bridgepoint Capital Scottish GP Limited	Scotland	General Partner to UK Limited Partnerships
Bridgepoint Capital Scottish GP II Limited	Scotland	General Partner to UK Limited Partnerships
Bridgepoint Capital (GP) Limited	England	General Partner to Delaware Partnership
Bridgepoint Europe III (GP) Limited	Scotland	General Partner to UK Limited Partnerships
Bridgepoint Europe IV (SGP) Limited	Scotland	General Partner to UK Limited Partnerships
Horningway Limited	England	General Partner to UK Limited Partnerships
BBTPS FP (GP) Limited	England	General Partner to UK Limited Partnerships
BBTPS (GP) Limited	England	General Partner to UK Limited Partnerships
Ruby Investments (UK) Limited	England	Investment company

Except where noted, all the above companies are wholly owned and registered in the country of incorporation

* These entities are owned directly by Bridgepoint Advisers Group Limited

** Bridgepoint Capital SpA is 10% owned by the Company and 90% by Bridgepoint Advisers Europe Limited

The directors believe that the carrying value of the investments is supported by their underlying net assets

9. Debtors

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Amounts due within one year				
Amounts owed by subsidiary undertakings	-	-	17,279	13,312
Group relief	-	-	254	-
UK Corporation tax receivable	-	-	-	-
Tax recoverable	-	-	-	-
Other debtors	10,765	10,623	1,500	1,421
Prepayments and accrued income	3,757	3,982	1,272	1,208
	14,522	14,605	20,305	15,941

10. Creditors Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings	-	-	81,899	43,988
Trade creditors	1,400	287	-	-
Group relief	-	-	-	29
Social Security payable	1,716	549	-	-
Corporation tax payable	1,143	151	-	-
Dividends payable	-	-	-	-
Other creditors	2,281	7,944	1,220	3,859
Bank loan	11,298	9,901	-	-
Accruals and deferred income	26,500	37,065	3	4
	44,338	55,897	83,122	47,880

11 Creditors Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Other creditors	2,348	429	1,539	429

12. Provisions for liabilities and charges

Group	Deferred Taxation 2012 £'000
At beginning of year	33,053
Charged in the year	1,136
At end of year	34,189

13 Called-up share capital

Company	2012 Number	2012 £'000	2011 Number	2011 £'000
Authorised				
Original ordinary shares of 1p each	1,273,500	13	1,273,500	13
Series II ordinary shares of 1p each	495,000	5	495,000	5
Series III ordinary shares of 1p each	1,189,250	12	1,189,250	12
YY Shares	1	-	1	-
	2,957,751	30	2,957,751	30
Allotted, called-up and paid				
Original ordinary shares of 1p each	1,088,000	11	1,273,500	13
Series II ordinary shares of 1p each	409,000	4	495,000	5
Series III ordinary shares of 1p each	598,900	6	731,800	7
YY Shares	1	-	1	-
	2,095,901	21	2,500,301	25

14 Reconciliation in movement in shareholders' funds

Group	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Other Reserves £'000	Own shares held by ESOT £'000	Profit and Loss Account £'000	Total Shareholders' Funds £'000
At 1 January 2012	25	1,164	19	1,878	(2,955)	102,465	102,596
Profit for the year	-	-	-	-	-	19,874	19,874
Movement in own shares	(4)	-	4	-	2,377	(9,667)	(7,290)
Issue of Shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(9,242)	(9,242)
Revaluation of overseas subsidiary undertakings	-	-	-	(118)	-	-	(118)
At 31 December 2012	21	1,164	23	1,760	(578)	103,430	105,820

Company	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Other Reserves £'000	Own shares held by ESOT £'000	Profit and Loss Account £'000	Total Shareholders' Funds £'000
At 1 January 2012	25	1,164	19	-	(2,955)	24,704	22,957
Loss for the year	-	-	-	-	-	(878)	(878)
Movement in own shares	(4)	-	4	-	2,377	(9,667)	(7,290)
Issue of Shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(9,242)	(9,242)
At 31 December 2012	21	1,164	23	-	(578)	4,917	5,547

The Employee Share Ownership Trust ("ESOT") was established in 2002 in order to provide for the future obligations of the Company in respect of shares awarded under the scheme At the year-end there were no allocations to any employees under the scheme

15. Cash flow information

a) Reconciliation of operating profit to net inflow from operating activities

	2012 £'000	2011 £'000
Operating profit	21,804	37,638
Depreciation charges	1,065	1,031
Amortisation charges	1,720	1,720
Revaluation of overseas subsidiary undertakings and investments	2,338	2,129
Decrease (increase) in debtors	80	(3,456)
(Decrease) increase in creditors	(10,632)	10,350
(Profit) loss on sale of fixed assets	(9)	-
Net cash inflow from operating activities	16,366	49,412

b) Analysis and reconciliation of net funds

	1 January 2012 £'000	Cash flow £'000	31 December 2012 £'000
Cash at bank	99,246	(22,540)	76,706

	2012 £'000	2011 £'000
(Decrease) increase in cash in the year	(22,540)	22,537
Net funds at 1 January	99,246	76,709
Net funds at 31 December	76,706	99,246

16 Operating Lease Commitments

Annual commitments under non-cancellable operating leases are as follows

	2012 Land and Buildings £'000	2012 Other £'000	2011 Land and Buildings £'000	2011 Other £'000
Expiry date				
- within one year	1,451	15	44	69
- between two and five years	1,015	113	1,142	80
- after five years	389	-	1,987	-
	2,855	128	3,173	149

A new land and building lease was signed after the year end which will have an annual obligation of £2 6m per annum The lease will commence in 2013 although nothing is payable on this lease until 2015

17 Related Party Transactions

The investments in Sapphire referred to in Note 8 are made up of loans of £46,547,000 (2011 £34,600,000) and preference shares of £202,000 (2011 £202,000) at the year end

The investments in Ruby are made up of loans of £14,683,000 (2011 £12,790,000) and preference shares of £222,000 (2011 £222,000) at the year end

In respect of these investments the Company and Group received interest of £868,000 (2011 £884,000) and preference dividends of £nil (2011 £nil) £869,000 was included in debtors at the year end (2011 £849,000)

Sapphire and Ruby have certain common shareholders with the Company

18 Financial Derivatives

During the year, Bridgepoint Advisers Limited, a wholly owned subsidiary, entered into foreign exchange contracts to hedge against adverse exchange rate movements in Euro denominated management fees receivable At the year end the total amount outstanding under these contracts was £32m (2011 £24m) with varying maturities up to July 2013

19 Bank Facility

Ruby Investments (UK) Limited, a wholly owned subsidiary, has an 8-year €18 75m revolving credit bank facility that expires on 4 April 2016 It has pledged its investments in Bridgepoint Europe IV FP LP as security for that bank facility