

Registration number: 6824647

BRIDGEPOINT ADVISERS II LIMITED  
*(formerly Bridgepoint Development Capital Limited)*

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



# Report of the Directors

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2010. On 18 May 2009, Bridgepoint Capital (Holdings), a subsidiary of Bridgepoint Capital Group Limited, acquired 100% of the share capital of the Company from Hermes Fund Managers Limited. On 4 January 2011, Bridgepoint Capital (Holdings) changed its name to Bridgepoint Advisers (Holdings). Also on 4 January 2011, Bridgepoint Development Capital Limited changed its name to Bridgepoint Advisers II Limited.

## Principal activity and review of business

The Company acts as a fund manager. As part of a restructuring to separate the advisory and management functions of the group, the advisory function of Bridgepoint Advisers II Limited was transferred to Bridgepoint Advisers UK Limited at the start of 2011. The Company is regulated by the Financial Services Authority. The directors are satisfied with the results for the year and anticipate activities to continue at similar levels. The financial risks are discussed in the accounts of the ultimate parent undertaking.

## Results and dividends

The results for the year are shown on page 4. The directors have not proposed a dividend (2009 £nil). The retained profit of £2,134,000 (period to 31 December 2009 £2,174,000) has been transferred to reserves.

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## Directors

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

C S J Barter  
A R Gibbons (*appointed 27/05/2010*)  
J R Hughes  
K P Reynolds  
R A Selkirk

## Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements. 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.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J R Hughes', written over the printed name.

J R Hughes  
Director

21 April 2011

# Independent auditors' report

## TO THE MEMBERS OF BRIDGEPOINT ADVISERS II LIMITED

We have audited the financial statements of Bridgepoint Advisers II Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet 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 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). 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 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.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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

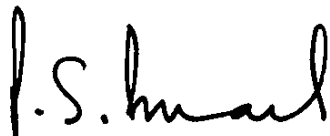
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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

21 April 2011

**Profit and Loss Account**  
For the year ended 31 December 2010

		Year ended 31 Dec 2010 £'000	19 Feb to 31 Dec 2009 £'000
	Notes		
Turnover	1 (g)	6,818	5,221
Fees payable		<u>(1,053)</u>	<u>(13)</u>
Gross profit		5,765	5,208
Administrative expenses		<u>(2,819)</u>	<u>(2,201)</u>
Operating profit		2,946	3,007
Interest receivable and similar income		<u>36</u>	<u>8</u>
Interest payable		-	-
Profit on ordinary activities before tax	2	2,982	3,015
Tax on profit on ordinary activities	3	<u>(848)</u>	<u>(841)</u>
Retained profit for the year		<u>2,134</u>	<u>2,174</u>

The results above relate to continuing operations

The Company has no recognised gains or losses other than those included in the Profit and Loss Account  
Therefore, no Statement of Recognised Gains or Losses is included

The notes on pages 6 to 10 form part of these financial statements

**Balance Sheet**  
As at 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Current assets</b>			
Debtors	7	225	158
Cash at Bank		8,340	4,291
		<u>8,565</u>	<u>4,449</u>
<b>Current liabilities</b>			
Creditors Amounts falling due within one year	8	<u>(4,253)</u>	<u>(2,270)</u>
<b>Net current assets</b>		<u>4,312</u>	<u>2,179</u>
<b>Net assets</b>		<u>4,312</u>	<u>2,179</u>
<b>Capital and reserves</b>			
Called-up Share Capital	9	5	5
Profit and Loss Account	10	<u>4,308</u>	<u>2,174</u>
<b>Total shareholder's funds</b>	10	<u>4,313</u>	<u>2,179</u>

The financial statements on pages 4 to 10 were approved by the Board of Directors and signed on its behalf by



J R Hughes  
Director

21 April 2011

The notes on pages 6 to 10 form part of these financial statements

# Notes to the financial statements

For the year ended 31 December 2010

## 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, 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) Cash flow Statement

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a Cash Flow Statement on the grounds that more than 90% of the voting rights are controlled within the Group and a consolidated cash flow is included in the ultimate parent company's financial statements

### (c) Related Party Transactions

Under Financial Reporting Standard 8, 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

### (d) 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

### (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 Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. Deferred tax balances are not discounted

### (f) Placement Agents' Fees

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

### (g) Turnover

Turnover comprises management fees earned from the management of various private equity partnerships and is recognised in the profit and loss account as it accrues

## Notes to the financial statements (continued)

For the year ended 31 December 2010

### 1 Accounting policies (continued)

#### (i) Foreign currency

Transactions in foreign currencies are translated at the average rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange prevailing at that date.

### 2 Profit on ordinary activities before tax

	Year ended 31 Dec 2010 £'000	19 Feb to 31 Dec 2009 £'000
This is stated after charging		
Audit fees	14	20

Audit fees charged include amounts in relation to the audit of certain other group companies

### 3 Tax on profit on ordinary activities

	Year ended 31 Dec 2010 £'000	19 Feb to 31 Dec 2009 £'000
The tax charge for the year comprises		
Current tax charge for the year	838	841
Adjustment to prior years	10	-
Deferred tax	-	-
	<u>848</u>	<u>841</u>
Profit on ordinary activities before tax	<u>2,982</u>	<u>3,015</u>
Profit on ordinary activities before tax at the standard rate of corporation tax in the UK of 28%	835	844
Effects of		
Expenses not deductible for tax purposes	11	5
Other timing differences	(8)	-
Deduction from Employee Share Acquisition	-	(8)
Current tax charge for the year	<u>838</u>	<u>841</u>



## Notes to the financial statements (continued)

For the year ended 31 December 2010

<b>4 Directors' remuneration</b>	Year ended 31 Dec 2010 £'000	19 Feb to 31 Dec 2009 £'000
Aggregate emoluments	465	256
Performance related bonus	380	44
Payments under the company's long term incentive scheme	-	-
Total emoluments received by directors (excluding pension contributions)	<u>845</u>	<u>300</u>
Pension contributions	<u>26</u>	<u>10</u>
Total emoluments of highest paid director including pension contributions	<u>447</u>	<u>229</u>

## 5 Staff costs

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

	Year ended 31 Dec 2010 Number	19 Feb to 31 Dec 2009 Number
Directors	4	4
Executives	6	8
Administration	1	2
	<u>11</u>	<u>14</u>

	Year ended 31 Dec 2010 £'000	19 Feb to 31 Dec 2009 £'000
Wages and salaries	1,031	977
Staff bonuses	767	97
Social security costs	225	139
Pension costs	95	81
Other staff costs	17	58
	<u>2,135</u>	<u>1,352</u>

## 6 Pension contributions

The company 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 to a maximum of 10% of relevant earnings. The pension cost charge for the year has been shown as part of the staff costs in note 5.

## Notes to the financial statements (continued)

For the year ended 31 December 2010

### 7 Debtors

	2010 £'000	2009 £'000
Amounts owed by parent and fellow subsidiary undertakings	8	-
UK Corporation tax receivable	9	-
Other debtors	184	135
Prepayments	24	23
	<u>225</u>	<u>158</u>

### 8 Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to parent and fellow subsidiary undertakings	1,716	227
Group relief	895	643
Corporation tax payable	-	198
Other creditors	56	71
Accruals	1,586	1,131
	<u>4,253</u>	<u>2,270</u>

### 9 Called-up share capital

	2010 Number	2010 £'000	2009 Number	2009 £'000
<i>Authorised</i>				
Deferred Shares of £1	1,330	1	1,330	1
Ordinary Shares of £1	4,900	5	4,900	5
	<u>6,230</u>	<u>6</u>	<u>6,230</u>	<u>6</u>
<i>Allotted, called-up and fully paid</i>				
Deferred Shares of £1	1,330	1	1,330	1
Ordinary Shares of £1	3,670	4	3,670	4
	<u>5,000</u>	<u>5</u>	<u>5,000</u>	<u>5</u>

### 10 Reconciliation of movement in shareholder's funds

	Called up Share Capital £'000	Profit and Loss Account £'000	Share- holder's Funds £'000
Balance at 1 January 2010	5	2,174	2,179
Shares issued	-	-	-
Result for the year	-	2,134	2,134
Dividends paid	-	-	-
Balance at 31 December 2010	<u>5</u>	<u>4,308</u>	<u>4,313</u>

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## Notes to the financial statements (continued)

For the year ended 31 December 2010

### 11 Ultimate parent undertaking

The ultimate parent company and controlling party is Bridgepoint Capital Group Limited

The results of the company are consolidated in the group financial statements of Bridgepoint Capital Group Limited. These are the largest and smallest group of undertakings which include the results of the company. Copies of the financial statements of Bridgepoint Capital Group Limited are available at Companies House, Crown Way, Cardiff