Registration number: 3880081

BRIDGEPOINT CAPITAL GROUP LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

Report of the directors

The directors present their annual report together with the audited consolidated financial statements of the Company and Group for Bridgepoint's operations in Europe for the year ended 31 December 2009

Review of business

2009 was a tough year as markets recalibrated, national economies sought to deal with the credit crunch and many international businesses, including Bridgepoint with euro denominated funds, dealt with the impact of increasingly fluctuating currencies In 2009 the rate of new investment and exits from Bridgepoint Funds slowed significantly As a result of this market volatility we deliberately stood back, especially in the first half of the year, as transaction multiples recalibrated, reflecting these altered market states In so doing, Bridgepoint focused on preserving capital and creating value for all its stakeholders in a very difficult market environment

In this challenging market, the Group delivered a profit before taxation for the year ended 31 December 2009 on ordinary activities arising from its various fund management activities in Europe, of £38 7m (2008 £50 7m) As we are an employee-owned company we are able to control operating costs tightly and as we have a broad shareholder base comprising the vast majority of the Bridgepoint team, this means that employees who are shareholders are also able to benefit collectively in the success of the Group, reflected in dividend payments made

From an investment perspective, its current €4 8 billion fund, Bridgepoint Europe IV, committed €350 million to two new investments - Terveystalo in Finland and Tuvturk in Turkey - in transactions totalling €668 million Market conditions limited exit opportunities with the Group unwilling to sell assets at the suboptimal prices prevailing for much of the year However, with improving markets, shortly after the year end Bridgepoint Europe II was successful with the landmark sale of Pets at Home

In 2009 Bridgepoint launched Bridgepoint Development Capital which manages £300 million of capital, and invests in smaller buyouts (typically with an enterprise value below €150m) that fall outside the investment strategy of Bridgepoint's European buyout funds The business has made good progress since its launch and is now well on the way to building a dedicated standalone team of fourteen investment professionals to cover the UK, France and the Nordic Region

Bridgepoint Portfolio Services was also created in the year to advise on the management of third party private equity portfolios It currently manages all the investments in Bridgepoint managed funds that pre-date the BE II Fund and the £250 million of investments transferred to Bridgepoint by Hermes, the UK fund manager in March 2009

We have always recognised the competitive advantage arising from having a well invested and broad European network In 2009 we invested in expanding our footprint into Southern Europe with the commencement of operations in Istanbul, subsequently completing our first deal there in October Elsewhere in the Bridgepoint network, we also added to our resource base and collective knowledge through selective team appointments and continued to develop our existing talent so that all team members understand the attributes and values that are key to the continued high performance and standards of the Firm

Bridgepoint remains optimistic that the next 24 months will furnish good opportunities to acquire businesses at better relative entry prices than seen for some time and have the potential to be amongst the best vintage investment years in our industry Significantly, this will also happen at a point in the cycle which could provide strong medium-term upside

At the time of writing, we continue to see a growing number of interesting investment opportunities from fundamentally strong companies that are either over-leveraged, suffering temporary trading issues or are simply unable to finance growth as a quoted business Equally there is also a broad cadre of defensive assets that need capital for continued success, whose performance is less tied to current cycles

Bridgepoint, as a well funded and well resourced business, is positioned to move quickly when these opportunities arise All of this said, we are ever alert to the ongoing need for outstanding sector and individual asset selection in these times in addition to our normal rigorous due diligence on potential investments

Dividends

The directors have paid dividends in total of £7,702,000 (2008 £20,192,000) The retained profit of £24,615,000 has been transferred to reserves (2008 £10,455,000)

Report of the directors (continued)

Directors

The directors who held office during the year were as follows

A R Gibbons
J R Hughes
W N Jackson
D R Shaw (resigned 28/01/2010)

Charitable donations

During the year the group made charitable donations of £666,000 (2008 - £197,000)

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 which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period In preparing those 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 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

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

28 June 2010

Independent auditors' report

TO THE MEMBERS OF BRIDGEPOINT CAPITAL GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Bridgepoint Capital Group Limited for the year ended 31 December 2009 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 Directors' Responsibilities Statement 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 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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2009 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 Directors' 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

P. S. Purewal

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

28 June 2010

Consolidated profit and loss account

For the year ended 31 December 2009

	Notes		2009 £'000	2008 £'000
Turnover	1 (k)			
Continuing operations - existing		94,816		87,519
Continuing operations - acquisitions		4,281		-
			99,097	
Fees payable			(2,272)	(6,456)
Gross profit			96,825	81,063
Administrative expenses			(59,413)	(32,890)
Operating profit				
Continuing operations - existing		35,100		48,173
Continuing operations - acquisitions		2,312		-
(after £0 9m goodwill amortisation)			37,412	48,173
Profit on disposal of investments			-	62
Interest receivable and similar income			1,313	2,546
Interest payable and similar charges			(6)	-
Profit on ordinary activities before taxation	2		38,719	50,781
Tax on profit on ordinary activities	5		(6,402)	(20,134)
Profit on ordinary activities after taxation	14		32,317	30,647
Dividends paid	14		(7,702)	(20,192)
Retained profit for the financial year			24,615	10,455

The results above relate to continuing operations

Statement of total recognised gains and losses

For the year ended 31 December 2009

	2009 £'000	2007 £'000
Profit for the financial year	32,317	30,647
Exchange adjustments on overseas subsidiary translations	(459)	1,468
Total gains and losses recognised since the last annual report	31,858	32,115

The notes on pages 8 to 18 form part of these financial statements

Consolidated balance sheet

31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Intangible assets - goodwill	6	7,302	2,384
Tangible assets	7	3,268	2,185
Investments	8	41,141	34,221
		51,711	38,790
Current assets			
Debtors - due within one year	9	10,015	10,109
Cash at bank and in hand		64,678	44,946
		74,693	55,055
Creditors. Amounts falling due within one year	10	(35,395)	(28,025)
Net current assets		39,298	27,030
Total assets less current liabilities		91,009	65,820
Creditors: Amounts falling due after more than one year	11	(8,507)	(12,753)
Provisions for liabilities and charges	12	(27,628)	(21,647)
Net assets		54,874	31,420
Capital and reserves			
Called-up share capital	13	25	20
Share Premium account	14	1,116	-
Capital redemption reserve	14	19	17
Own shares held by ESOT	14	(1,824)	(5,994)
Other reserves	14	2,066	2,525
Profit and loss account	14	53,472	34,852
Total Shareholders' Funds	14	54,874	31,420

The financial statements on pages 4 to 18 were approved by the Board of Directors and signed on its behalf by

J R Hughes
Director

28 June 2010

The notes on pages 8 to 18 form part of these financial statements

Company Balance Sheet
31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	8	44,052	39,820
Current assets			
Debtors - due within one year	9	11,786	6,344
Cash at bank and in hand		441	566
		12,227	6,910
Creditors: Amounts falling due within one year	10	(18,842)	(23,892)
Net current liabilities		(6,615)	(16,982)
Total assets less current liabilities		37,437	22,838
Creditors Amounts falling due after more than one year	11	(8,507)	(12,753)
Net assets		28,930	10,085
Capital and reserves			
Called-up share capital	13	25	20
Share Premium account	14	1,116	-
Capital redemption reserve	14	19	17
Own shares held by ESOT	14	(1,824)	(5,994)
Profit and loss account	14	29,594	16,042
Total Shareholders' Funds	14	28,930	10,085

The financial statements on pages 4 to 18 were approved by the Board of Directors and signed on its behalf by

J R Hughes
Director

28 June 2010

The notes on pages 8 to 18 form part of these financial statements

Consolidated cash flow statement

For the year ended 31 December 2009

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	15a		42,409		50,813
Returns on investments and servicing of finance					
Interest received		1,893		2,079	
Interest paid		(6)		-	
Net cash inflow from returns on investments and servicing of finance			1,887		2,079
Taxation					
Tax paid		(1,194)		(516)	
Net cash outflow from taxation			(1,194)		(516)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,963)		(1,204)	
Fixed asset investments acquired		(8,981)		(17,222)	
Fixed asset investments disposed		305		162	
Net cash outflow from capital expenditure and financial investment			(10,639)		(18,264)
Acquisitions					
Purchase of subsidiary undertakings			(4,327)		-
Dividends paid			(7,702)		(20,192)
Net cash inflow before financing			20,434		13,920
Financing					
Purchase of own shares		(1,825)		(14,298)	
Shares issued		1,123		-	
Net cash outflow from financing			(702)		(14,298)
Increase (decrease) in cash in the year	15b		19,732		(378)

The notes on pages 8 to 18 form part of these financial statements

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

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 or loss account is presented for the parent company as permitted by section 408 of the Companies Act 2006 The company's profit for the financial year ending 31 December 2009, determined in accordance with the Act was £27,249,000 (2008 - £39,400,000)

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 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

1. Accounting policies (continued)

g) Placement agents' fees

Placement agents' fees incurred during the raising of a fund are expenses 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 venture capital investments Turnover is stated net of VAT Income is recognised on an accruals basis

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2009 £'000	2008 £'000
Amortisation of goodwill	1,093	216
Depreciation	798	524
Operating lease rentals		
- plant and machinery	57	45
- other	837	788
Auditors' remuneration		
- Group	164	149
- Company	20	18
Other fees paid to auditors	240	496

3. Staff costs

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

	2009 Number	2008 Number
Directors	4	4
Executives (including Directors of subsidiary undertakings)	73	70
Administrative staff	54	49
	131	123

3. Staff costs (continued)

Employee costs (including directors) for the year amounted to

	2009 £'000	2008 £'000
Wages and salaries	16,589	14,501
Staff bonuses	13,528	10,235
Social security costs	4,633	3,461
Pension costs	927	1,293
Other staff costs	1,494	810
	37,171	30,300

Directors' remuneration

Directors' remuneration was as follows

	2009 £'000	2008 £'000
Aggregate emoluments	1,275	1,206
Performance related bonus	1,186	1,125
	2,461	2,331
Pension contributions	52	49
Total emoluments of highest paid director (including pension contributions)	1,018	987

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 to a maximum of 15% of relevant earnings The pension cost charge for the period has been shown as part of the staff costs in note 3

The company operates a bonus sacrifice scheme At 31 December 2009, pension contributions of £104,000 (2008 - £522,000) payable under this scheme, were included within other creditors in the balance sheet

5. Tax on profit on ordinary activities

The tax charge for the year comprises	2009 £'000	2008 £'000
Corporation tax - UK	5	7
Under provision for corporation tax in previous year	-	-
	5	7
Corporation tax - Overseas	416	1,079
Total current tax	421	1,086
Deferred tax charge (credit)	5,981	19,048
	6,402	20,134
Profit on ordinary activities before taxation	38,719	50,781
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 28 5%)	10,841	14,473
Effects of		
Expenses not deductible for tax purposes	647	497
Income not charged to UK corporation tax	(23,566)	(16,668)
Capital allowances for period in excess of depreciation	(15)	25
Other timing differences	285	(240)
Income not in accounts charged to corporation tax	(251)	-
Partnership allocation	-	21
Tax losses unutilised	12,296	2,889
Tax losses utilised	(1)	(16)
Double tax relief on overseas dividends	-	-
Overseas tax in excess of standard UK corporation tax rate	185	105
Current tax charge for period	421	1,086

6. Goodwill

	Group £'000
Cost	
Beginning of year	4,329
Goodwill arising on acquisition	6,011
End of year	10,340
Amounts written off	
Beginning of year	1,945
Amortisation	1,093
End of year	3,038
Net book value	
At beginning of year	2,384
At end of year	7,302

The goodwill arising on acquisition during the year is being amortised on a straight-line basis over four years being the Investment Period of the investing fund managed by the acquired entities The historic goodwill is being amortised over twenty years

7. Tangible fixed assets

The movement in the year was as follows

Group	Leasehold Improvements £'000	Motor Vehicles £'000	Computers, Furniture and Other £'000	Total £'000
Cost or valuation				
Beginning of year	1,391	10	2,798	4,199
Foreign exchange movement	(18)	-	(92)	(110)
Additions	1,461	-	502	1,963
Disposals	(69)	-	(241)	(310)
End of year	2,765	10	2,967	5,742
Depreciation				
Beginning of year	(501)	(3)	(1,510)	(2,014)
Foreign exchange movement	-	-	28	28
Charge	(466)	(2)	(330)	(798)
Disposals	69	-	241	310
End of year	(898)	(5)	(1,571)	(2,474)
Net book value				
Beginning of year	890	7	1,288	2,185
End of year	1,867	5	1,396	3,268

8. Fixed assets investments

Group	Other Investments £'000	Total £'000
Beginning of year	34,221	34,221
Additions	8,981	8,981
Disposals	(305)	(305)
Foreign exchange movement	(1,756)	(1,756)
End of year	41,141	41,141

Company	Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
Beginning of year	7,204	32,616	39,820
Additions	-	5,914	5,914
Disposals	-	(27)	(27)
Foreign exchange movement	-	(1,655)	(1,655)
End of year	7,204	36,848	44,052

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 venture capital 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 accounts would not show a true and fair view The effect of this departure is to reduce net assets by £1,998m (2008 - £1,982m), minority interests by £1,998m (2008 - £1,982m) and increase profit before tax by £287m (2008 - £292m)

The interests of the Group in qualifying partnerships have been incorporated in the accounts 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 Capital (Holdings) *	England	Investment holding company
Bridgepoint Capital Limited	England	Private equity management company
Bridgepoint Private Equity Limited	England	Private equity management company
Bridgepoint Development Capital Limited	England	Private equity management company
Bridgepoint Capital France SA	France	Private equity management company
Bridgepoint Capital SpA **	Italy	Private equity advisory company
Bridgepoint Capital GmbH	Germany	Private equity advisory company
Bridgepoint Capital SA	Spain	Private equity advisory company
Bridgepoint Capital AB	Sweden	Private equity advisory company
Bridgepoint Capital Sp Zoo	Poland	Private equity advisory company
Bridgepoint Oy	Finland	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
Bridgepoint Development Capital I FP (GP) Limited	England	General Partner to UK Limited Partnerships
Bridgepoint Development Capital I (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

** Bridgepoint Capital SpA is 10% owned by the Company and 90% by Bridgepoint Capital (Holdings)

8. Fixed assets investments (continued)

Bridgepoint Development Capital Limited (formerly known as Hermes Private Equity Directs Limited) and Bridgepoint Development Capital I FP (GP) Limited (formerly known as HPEP Scotland GP Limited) were purchased from Hermes Fund Managers Limited by Bridgepoint Capital (Holdings) on 18 May 2009

	£'000
Cash	2,189
Debtors	192
Creditors	(1,682)
Corporation tax creditor	(194)
Book value of net assets acquired	505
Goodwill	6,011
Total consideration	6,516

9 Debtors

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts due within one year				
Amounts owed by subsidiary undertakings	-	-	10,226	4,760
Group relief	-	-	292	-
Tax recoverable	290	259	-	-
Other debtors	7,581	8,229	793	1,584
Prepayments and accrued income	2,144	1,621	475	-
	10,015	10,109	11,786	6,344

10 Creditors: Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings	-	-	12,750	16,007
Trade creditors	251	211	-	-
Group relief	-	-	-	2,073
Social Security payable	420	406	-	-
Corporation tax payable	212	805	-	8
Other creditors	8,317	8,982	6,088	5,801
Accruals and deferred income	26,195	17,621	4	3
	35,395	28,025	18,842	23,892

11. Creditors: Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Other creditors	8,507	12,753	8,507	12,753

12. Provisions for liabilities and charges

Group	Deferred Taxation 2009 £'000
At beginning of year	21,647
Credited in the year	5,981
At end of year	27,628

13. Called-up share capital

Company	2009 Number	2008 Number	2009 £'000	2008 £'000
Authorised				
Original ordinary shares of 1p each	1,273,500	3,900,000	13	39
Series II ordinary shares of 1p each	495,000	1,100,000	5	11
Series III ordinary shares of 1p each	1,189,250	-	12	-
ZZ Shares	-	804,750	-	8
YY Shares	1	1	-	-
	2,957,751	5,804,751	30	58
Allotted, called-up and paid				
Original ordinary shares of 1p each	1,273,500	1,427,250	13	14
Series II ordinary shares of 1p each	495,000	553,000	5	6
Series III ordinary shares of 1p each	701,800	-	7	-
ZZ Shares	-	-	-	-
YY Shares	1	1	-	-
	2,470,301	1,980,251	25	20

During the year the company purchased and cancelled 153,750 Original ordinary shares and 58,000 Series II ordinary shares On 8 September 2009 the ZZ shares were cancelled, the authorised Original ordinary shares were reduced by 2,626,500 and Series II ordinary shares by 605,000 In addition 701,800 Series III ordinary shares were issued at a price of £1 60 per share

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 2009	20	-	17	2,525	(5,994)	34,852	31,420
Profit for the year	-	-	-	-	-	32,317	32,317
Movement in own shares	(2)	-	2	-	4,170	(5,995)	(1,825)
Issue of Shares	7	1,116	-	-	-	-	1,123
Dividends paid	-	-	-	-	-	(7,702)	(7,702)
Revaluation of overseas subsidiary undertakings	-	-	-	(459)	-	-	(459)
At 31 December 2009	25	1,116	19	2,066	(1,824)	53,472	54,874

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 2009	20	-	17	-	(5,994)	16,042	10,085
Profit for the year	-	-	-	-	-	27,249	27,249
Movement in own shares	(2)	-	2	-	4,170	(5,995)	(1,825)
Issue of Shares	7	1,116	-	-	-	-	1,123
Dividends paid	-	-	-	-	-	(7,702)	(7,702)
At 31 December 2009	25	1,116	19	-	(1,824)	29,594	28,930

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

	2009 £'000	2008 £'000
Operating profit	37,412	48,173
Depreciation charges	798	524
Amortisation charges	1,093	216
Revaluation of overseas subsidiary undertakings and investments	1,379	1,403
Increase in debtors	(294)	(1,071)
Increase in creditors	2,021	1,465
Loss on sale of fixed assets	-	103
Net cash inflow from operating activities	42,409	50,813

b) Analysis and reconciliation of net funds

	1 January 2009 £'000	Cash flow £'000	31 December 2009 £'000
Cash at bank	44,946	19,732	64,678

	2009 £'000	2008 £'000
Increase (decrease) in cash in the year	19,732	(378)
Net funds at 1 January	44,946	45,324
Net funds at 31 December	64,678	44,946

16. Operating Lease Commitments

Annual commitments under non-cancellable operating leases are as follows

	2009 Land and Buildings £'000	2009 Other £'000	2008 Land and Buildings £'000	2008 Other £'000
Expiry date				
- within one year	28	-	-	-
- between two and five years	-	48	70	49
- after five years	1,737	-	1,191	-
	1,765	48	1,261	49

17 Related Party Transactions

The investments in Sapphire referred to in Note 8 are made up of loans of £33,070,000 and preference shares of £202,000 at the year end The investments in Ruby are made up of loans of £3,195,000 and preference shares of £222,000 at the year end In respect of these investments the Company and Group received interest of £500,000 (2008 - £1,085,000) and preference dividends of £nil (2008 - £nil) £387,000 was included in debtors at the year end (2008 - £967,000) Sapphire and Ruby have common shareholders with the Company

18 Financial Derivatives

During the year, Bridgepoint Capital 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 £57m with strike dates in January and July each year until January 2012

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