Registration number: 3880081

BRIDGEPOINT ADVISERS GROUP LIMITED

(formerly Bridgepoint Capital Group Limited)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Managing Partner's Statement

Bridgepoint and the companies in which it has an investment have continued to perform well over the last 12 months Looking back 2011 was a year of two very different halves for the European economies in which Bridgepoint invests The beginning of the year saw improving market conditions and a generally more favourable outlook In contrast, the second half of 2011 saw the onset of the euro crisis and the threat of recession appearing again This was frustrating for business as the preceding year of accelerating economic expansion was very quickly replaced by market volatility and weakening GDP growth

Within this context of volatile markets I am pleased to report that the Group delivered a profit before taxation for the year ended 31 December 2011 on ordinary activities arising from its fund management and investment activities in Europe of £39 0 million (2010 £46 0 million) This reduction in profitability largely reflects fewer realisation gains in volatile markets, as a result a reduced dividend of £7 7 million (2010 £21 7 million) was paid to the Firm's broad shareholder base during the period

Despite, or indeed because of, market uncertainties, there were and still are many market leading businesses in Europe keen to tap into the financial, sectorial and strategic skills of firms like Bridgepoint Our current middle market buyout fund, Bridgepoint Europe IV (focusing on transactions valued between €200 million and €1 billion), committed €1 4 billion in equity in 2011 to seven new investments across Europe with a total value of over €2 5 billion, taking advantage of transaction flow and pricing in uncertain times

Reflecting Bridgepoint's focus on a core number of sectors (Business Services, Consumer, Financial Services, Healthcare, Manufacturing & Industrials, and Media & Technology), the Fund made a range of investments across Europe throughout the year in Germany, CABB, a specialty chemicals manufacturer, in France, Foncia, a residential property management group and Médipôle Sud Santé, a private hospital group, in Switzerland, Infront Sports & Media, an international sports marketing agency, La Gardenia, a specialist perfume retailer in Italy, and in the UK, SPTS, an Anglo-American capital equipment provider, and Wiggle, a global online cycling and sports retailer This fund has now invested in 15 businesses, of which two thirds were acquired directly from non-financial owners

Elsewhere within the group, Bridgepoint Development Capital, launched in 2009 to address the smaller buyout market (typically deals valued up to €150 million) also performed strongly in the course of the year It committed €100 million to four new transactions with a total value of €196 million It also put a further €27 million into two follow-on acquisitions for IT services company Pulsant as part of its buy and build programme New businesses acquired were Compagnie Stéphanoise de Santé, a French regional hospital group, Evander Glazing & Locks, a UK emergency glazier and locksmith, Mezzo di Pasta, a French pasta fast food chain, and Shimtech Industries, a UK aerospace components manufacturer

Bridgepoint's fund portfolio strategy to invest in businesses with strong market positions, combined with the generally low current levels of debt, especially in our most recent investments, has meant that the businesses we own are well positioned to withstand current economic pressures I am pleased to report that their response to market dynamics, their ability to win market share and relentless focus on business efficiency, have combined to produce strong year-on-year growth in EBITDA and revenues This is particularly encouraging as value creation in the businesses that Bridgepoint typically acquires is primarilygenerated by underlying earnings growth and business repositioning rather than the simple impact of leverage or recovering multiples In this regard, in 2011 there has been 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 The year also saw the Firm return €573 million to its investors, most notably from the $950 million sale of ERM, the global environmental consultancy we acquired in November 2005

Throughout the year Bridgepoint also continued to attract new talent to its team, bringing fresh perspective in virtually every area of the business Underscoring the depth and breadth of talent already within the Firm, we were also able to admit five new partners to the Partnership, recognising colleagues who have built successful long-term careers within the business and who have contributed greatly to our success

Managing Partner's Statement (continued)

Ironically, market headwinds and the dislocations arising from the sovereign debt crisis are likely, we believe, to continue to create opportunities for Bridgepoint to continue the construction of its investment portfolios at attractive prices Clearly, we will only do this if we believe that the valuation of an asset is appropriate and we have a clear plan about how we can create value for our investors To do this, we will be maintaining our disciplined pace of new investment into 2012 and 2013, mindful of the need for a balanced exposure across sector, geography and vintage years of our Funds

We are fortunate that Bridgepoint remains a well-funded and well-resourced business capable of rising to the challenges and opportunities of 2012 We are able to do so thanks not just to our own team but to the commitment of the people across Europe who work in Bridgepoint-owned businesses I thank them all for their contribution over the last 12 months

William Jackson
Managing Partner

A more detailed review of 2011 can be found in the Bridgepoint Annual review located on the Bridgepoint website at www bridgepoint eu

Directors' Report

On 21 December 2011, Bridgepoint Capital Group Limited changed its name to Bridgepoint Advisers Group Limited (the "Company") The directors present their annual report together with the audited consolidated financial statements of Bridgepoint Advisers Group Limited for the year ended 31 December 2011

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 £7,717,000 (2010 £21,657,000) The retained profit of £34,028,000 has been transferred to reserves (2010 £14,965,000)

Charitable donations

During the year the Group made charitable donations of £293,000 (2010 - £372,000)

Directors

The directors who held office during the year were as follows

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

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 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

24 July 2012

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 2011 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 3, 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 2011 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

24 July 2012

Consolidated Profit and Loss Account

For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Turnover	1 (k)	110,167	109,460
Fees payable		(4,283)	(4,623)
Gross profit		105,884	104,837
Administrative expenses		(68,246)	(59,648)
Other income		-	-
Operating profit		37,638	45,189
Interest receivable and similar income		1,627	890
Interest payable and similar charges		(259)	(72)
Profit on ordinary activities before tax	2	39,006	46,007
Gross tax charge for year	5	(10,954)	(10,412)
Tax credit on dividend income	5	13,693	1,027
Profit on ordinary activities after tax	14	41,745	36,622
Dividends paid	14	(7,717)	(21,657)
Retained profit for the financial year		34,028	14,965

The results above relate to continuing operations

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2011

	2011 £'000	2010 £'000
Profit for the financial year	41,745	36,622
Exchange adjustments on overseas subsidiary translations	(88)	(100)
Total gains and losses recognised since the last annual report	41,657	36,522

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

Consolidated Balance Sheet

31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Intangible assets - goodwill	6	3,862	5,582
Tangible assets	7	2,110	2,757
Investments	8	72,152	55,268
		78,124	63,607
Current assets			
Debtors - due within one year	9	14,605	10,775
Cash at bank and in hand		99,246	76,709
		113,851	87,484
Creditors: amounts falling due within one year	10	(55,897)	(41,583)
Net current assets		57,954	45,901
Total assets less current liabilities		136,078	109,508
Creditors amounts falling due after more than one year	11	(429)	(4,268)
Provisions for liabilities and charges	12	(33,053)	(36,556)
Net assets		102,596	68,684
Capital and reserves			
Called-up share capital	13	25	25
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	19	19
Own shares held by ESOT	14	(2,955)	(2,927)
Other reserves	14	1,878	1,966
Profit and Loss Account	14	102,465	68,437
Total Shareholders' Funds	14	102,596	68,684

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

24 July 2012

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

Company Balance Sheet
31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	8	55,080	50,009
		55,080	50,009
Current assets			
Debtors - due within one year	9	15,941	16,677
Cash at bank and in hand		245	705
		16,186	17,382
Creditors· amounts falling due within one year	10	(47,880)	(57,240)
Net current liabilities		(31,694)	(39,858)
Total assets less current liabilities		23,386	10,151
Creditors· amounts falling due after more than one year	11	(429)	(4,268)
Net assets		22,957	5,883
Capital and reserves			
Called-up share capital	13	25	25
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	19	19
Own shares held by ESOT	14	(2,955)	(2,927)
Profit and Loss Account	14	24,704	7,602
Total Shareholders' Funds	14	22,957	5,883

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

24 July 2012

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

Consolidated Cash Flow Statement

For the year ended 31 December 2011

	Notes	2011		2010	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	15a		49,412		50,655
Returns on investments and servicing of finance					
Interest received		1,253		802	
Interest paid		(259)		(72)	
Net cash inflow from returns on investments and servicing of finance			994		730
Taxation					
Tax paid		(639)		(612)	
Net cash outflow from taxation			(639)		(612)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(436)		(603)	
Fixed asset investments acquired		(19,056)		(16,120)	
Fixed asset investments disposed		7		693	
Net cash outflow from capital expenditure and financial investment			(19,485)		(16,030)
Dividends paid			(7,717)		(21,657)
Net cash inflow before financing			22,565		13,086
Financing					
New bank and other loans					
Purchase of own shares		(28)		(1,103)	
Shares issued		-		48	
Net cash outflow from financing			(28)		(1,055)
Increase in cash in the year	15b		22,537		12,031

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

Notes to financial statements
For the year ended 31 December 2011

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

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 profit for the financial year ending 31 December 2011, determined in accordance with the Act was £24,819,000 (2010 - loss £335,000)

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

Notes to financial statements (continued)

1 Accounting policies (continued)

g) Placement agents' fees

Placement agents' fees incurred during the raising of a fund are expensed as incurred There were no fees incurred in 2011 or in 2010

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

	2011 £'000	2010 £'000
Amortisation of goodwill	1,720	1,720
Depreciation	1,031	1,082
Operating lease rentals		
- land and buildings	2,926	2,006
- other	155	177
Auditors' remuneration		
- Group	215	179
- Company	21	21
Other fees paid to auditors		
- taxation fees	58	110
- accountancy	-	62
- due diligence fees	179	209
- secondee services	-	35
- other consultancy	96	72

Notes to financial statements (continued)

3. Staff costs

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

	2011 Number	2010 Number
Directors	4	4
Executives (including Directors of subsidiary undertakings)	79	80
Administrative staff	67	54
	150	138

Employee costs (including directors) for the year amounted to

	2011 £'000	2010 £'000
Wages and salaries	19,441	17,618
Staff bonuses	13,095	13,779
Social security costs	5,606	4,783
Pension costs	2,171	999
Other staff costs	1,932	1,500
	42,245	38,679

Directors' remuneration

Directors' remuneration was as follows

	2011 £'000	2009 £'000
Aggregate emoluments	1,446	1,273
Performance related bonus	720	1,332
	2,166	2,605
Pension contributions	188	47
Total emoluments of highest paid director (including pension contributions)	763	1,063

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 2011, pension contributions of £1,298,000 (2010 - £92,000) payable under this scheme were included within other creditors in the Balance Sheet

Notes to financial statements (continued)

5. Gross tax charge for year

	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Gross tax charge for year		10,954		10,412
Tax credit on dividend income		(13,693)		(1,027)
Total tax charge		**(2,739)**		**9,385**
The tax charge for the year comprises				
UK tax		(3,503)		8,931
Current	-		3	
Deferred	*(3,503)*		*8,928*	
Foreign tax - current		766		503
(Over) provision for corporation tax in previous year		(2)		(49)
		(2,739)		9,385

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 26 5% (2010 28%), mainly due to timing differences as explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	39,006	46,007
Profit on ordinary activities at the standard rate of UK tax	**10,337**	**12,882**
Dividend income already taxed	(13,693)	(1,027)
Expenses not deductible for tax purposes	657	786
Capital allowances for year in excess of depreciation	41	71
Permanent differences	(428)	-
Other timing differences	2,769	(12,416)
Income not in accounts charged to corporation tax	760	194
Overseas tax in excess of standard UK corporation tax rate	323	16
(Over) provision for corporation tax in previous year	(2)	(49)
Current tax charge for year	**764**	**457**

6. Goodwill

	Group £'000
Cost	
Beginning and end of year	10,340
Amortisation	
Beginning of year	4,758
Amortisation during the year	1,720
End of year	6,478
Net book value	
At beginning of year	5,582
At end of year	3,862

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

Notes to financial statements (continued)

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	2,809	110	3,336	6,255
Foreign exchange movement	(35)	(19)	(43)	(97)
Additions	176	-	260	436
Transfers	196	-	(196)	-
Disposals	-	(9)	(123)	(132)
End of year	3,146	82	3,234	6,462
Depreciation				
Beginning of year	(1,437)	(7)	(2,054)	(3,498)
Foreign exchange movement	20	2	23	45
Charge	(527)	(20)	(484)	(1,031)
Transfer	(113)	-	113	-
Disposals	-	9	123	132
End of year	(2,057)	(16)	(2,279)	(4,352)
Net book value				
Beginning of year	1,372	103	1,282	2,757
End of year	1,089	66	955	2,110

8. Fixed assets investments

Group	Other Investments £'000	Total £'000
Beginning of year	55,268	55,268
Additions	19,056	19,056
Disposals	(7)	(7)
Foreign exchange movement	(2,165)	(2,165)
End of year	72,152	72,152

Company	Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
Beginning of year	7,202	42,807	50,009
Additions	-	6,467	6,467
Disposals	-	(7)	(7)
Foreign exchange movement	-	(1,389)	(1,389)
End of year	7,202	47,878	55,080

Notes to financial statements (continued)

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 accounts would not show a true and fair view

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 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

Notes to financial statements (continued)

9 Debtors

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts due within one year				
Amounts owed by subsidiary undertakings	-	-	13,312	14,960
Group relief	-	-	-	84
Tax recoverable	-	133	-	-
Other debtors	10,623	8,275	1,421	978
Prepayments and accrued income	3,982	2,367	1,208	655
	14,605	10,775	15,941	16,677

10. Creditors Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings	-	-	43,988	52,982
Trade creditors	287	171	-	-
Group relief	-	-	29	-
Social Security payable	549	451	-	-
Corporation tax payable	151	26	-	-
Other creditors	7,944	7,818	3,859	4,258
Bank loan	9,901	4,860	-	-
Accruals and deferred income	37,065	28,257	4	-
	55,897	41,583	47,880	57,240

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

	Group		Company	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Other creditors	429	4,268	429	4,268

Notes to financial statements (continued)

12. Provisions for liabilities and charges

Group	Deferred Taxation 2011 £'000
At beginning of year	36,556
Credited in the year	(3,503)
At end of year	33,053

The deferred tax liability is calculated using the 25% corporate tax rate enacted at the Balance Sheet date The government announced in the 2012 Budget that the corporation tax rate would fall to 24% with effect from 1 April 2012 and fall to 22% with effect from 1 April 2013

The effect of the changes enacted by Parliament on 26 March 2012 is to reduce the deferred tax liability provided at the Balance Sheet date from £33,053,000 to £31,730,000 This £1,323,000 decrease in the deferred tax liability would increase profit by £1,323,000 This decrease in the deferred tax liability is due to the additional reduction in the coporation tax rate to 24% with effect from 1 April 2012

13. Called-up share capital

Company	2011 Number	2011 £'000	2010 Number	2010 £'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	1,273,500	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	731,800	7	731,800	7
YY Shares	1	-	1	-
	2,500,301	25	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 2011	25	1,164	19	1,966	(2,927)	68,437	68,684
Profit for the year	-	-	-	-	-	41,745	41,745
Movement in own shares	-	-	-	-	(28)	-	(28)
Issue of Shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(7,717)	(7,717)
Revaluation of overseas subsidiary undertakings	-	-	-	(88)	-	-	(88)
At 31 December 2011	25	1,164	19	1,878	(2,955)	102,465	102,596

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 2011	25	1,164	19	-	(2,927)	7,602	5,883
Loss for the year	-	-	-	-	-	24,819	24,819
Movement in own shares	-	-	-	-	(28)	-	(28)
Issue of Shares	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(7,717)	(7,717)
At 31 December 2011	25	1,164	19	-	(2,955)	24,704	22,957

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

Notes to financial statements (continued)

15. Cash flow information

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

	2011 £'000	2010 £'000
Operating profit	37,638	45,189
Depreciation charges	1,031	1,082
Amortisation charges	1,720	1,720
Revaluation of overseas subsidiary undertakings and investments	2,129	1,219
Increase in debtors	(3,456)	(672)
Increase in creditors	10,350	2,104
Loss on sale of fixed assets	-	13
Net cash inflow from operating activities	49,412	50,655

b) Analysis and reconciliation of net funds

	1 January 2011 £'000	Cash flow £'000	31 December 2011 £'000
Cash at bank	76,709	22,537	99,246

	2011 £'000	2010 £'000
Increase in cash in the year	22,537	12,031
Net funds at 1 January	76,709	64,678
Net funds at 31 December	99,246	76,709

16. Operating Lease Commitments

Annual commitments under non-cancellable operating leases are as follows

	2011 Land and Buildings £'000	2011 Other £'000	2010 Land and Buildings £'000	2010 Other £'000
Expiry date				
- within one year	44	69	-	47
- between two and five years	1,142	80	999	108
- after five years	1,987	-	1,983	-
	3,173	149	2,982	155

17. Related Party Transactions

The investments in Sapphire referred to in Note 8 are made up of loans of £34,600,000 (2010 £34,587,000) and preference shares of £202,000 (2010 £202,000) at the year end

The investments in Ruby are made up of loans of £12,790,000 (2010 £7,726,000) and preference shares of £222,000 (2010 £222,000) at the year end

In respect of these investments the Company and Group received interest of £884,000 (2010 £475,000) and preference dividends of £nil (2010 £nil) £849,000 was included in debtors at the year end (2010 £475,000)

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 £24m (2010 £32m) 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