

Registration number: 3220373

BRIDGEPOINT ADVISERS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2014



Strategic Report

The Company acts as a fund manager and is regulated by the Financial Conduct Authority. The loss for the financial year is £9.2m (2013: profit of £16.3m) and at the year end the Company has net assets of £61.4m (2013: 70.6m). The financial risks are discussed in the financial statements of the ultimate parent undertaking.

Report of the Directors

The directors present their annual report together with the audited financial statements of Bridgepoint Advisers Limited (the 'Company') for the year ended 31 December 2014.

Results and dividends

The results for the year are shown on page 5.

The directors have not proposed a dividend (2013: £10m). The loss for the financial year of £9,241,000 has been transferred to reserves (2013: profit of £6,315,000).

Directors

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

J W M Barber
C S J Barter
P R Gunner

J R Hughes
W N Jackson
G P Weldon

Directors' Indemnity

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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 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.

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



J R Hughes
Director

24 April 2015

Independent auditors' report

TO THE MEMBERS OF BRIDGEPOINT ADVISERS LIMITED

Report on the Financial Statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Bridgepoint Advisers Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Independent auditors' report (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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

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

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

24 April 2015

Profit and Loss Account
For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	1 (h)	51,488	88,877
Fees payable		(40,470)	(46,032)
Gross profit		<u>11,018</u>	<u>42,845</u>
Administrative expenses		(22,578)	(21,020)
Operating (loss) / profit		<u>(11,560)</u>	<u>21,825</u>
Interest receivable and similar income		139	143
(Loss) / profit on ordinary activities before taxation	2	<u>(11,421)</u>	<u>21,968</u>
Tax on (loss) / profit on ordinary activities	3	2,180	(5,653)
(Loss) / profit for the financial year	12	<u>(9,241)</u>	<u>16,315</u>
Dividends paid	12	-	(10,000)
Retained (loss)/profit for the financial year		<u>(9,241)</u>	<u>6,315</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.

There is no material difference between the (loss)/ profit on ordinary activities before taxation and the retained (loss)/profit for the financial years stated above and their historical cost equivalents.

The notes on pages 7 to 12 form part of these financial statements.

Balance Sheet

As at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	7	<u>3,653</u>	<u>4,126</u>
		3,653	4,126
Current assets			
Debtors	8	38,710	40,317
Cash at Bank		<u>52,102</u>	<u>75,823</u>
		90,812	116,140
Current liabilities			
Creditors: Amounts falling due within one year	10	<u>(33,093)</u>	<u>(49,653)</u>
Net current assets		57,719	66,487
Total assets less current liabilities		<u>61,372</u>	<u>70,613</u>
Net assets		<u>61,372</u>	<u>70,613</u>
Capital and reserves			
Called-up Share Capital	11	5	5
Profit and Loss Account	12	<u>61,367</u>	<u>70,608</u>
Total shareholders' funds	12	<u>61,372</u>	<u>70,613</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors and signed on its behalf by:



J R Hughes
Director

24 April 2015

The notes on pages 7 to 12 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

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) 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 Statement 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) Tangible fixed assets and depreciation

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

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

(g) Placement Agents' Fees

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

(h) Turnover

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

(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 in line with UITF 28.

(j) Abort costs

Abort costs, where incurred, are recognised as an expense in the year in which they are incurred and reversed if the related investment is proceeded with and the abort cost subsequently recovered.

Notes to the financial statements (continued)

For the year ended 31 December 2014

1 Accounting policies (continued)

(k) 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 (Loss)/profit on ordinary activities before taxation

	2014	2013
	£'000	£'000
This is stated after charging:		
Depreciation	844	484
Operating lease rentals		
- land and buildings	2,272	2,462
- other	49	49
Audit fees	80	57
	<u>3,245</u>	<u>3,052</u>

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

3 Tax on (loss)/ profit on ordinary activities

	2014	2013
	£'000	£'000
The tax charge for the year comprises:		
Current tax charge for the year	-	5,426
Adjustment to prior years	(17)	106
Current year deferred tax	(2,150)	117
Prior year deferred tax	(13)	4
	<u>(2,180)</u>	<u>5,653</u>
(Loss)/ profit on ordinary activities before taxation	<u>(11,421)</u>	<u>21,968</u>
(Loss)/ profit on ordinary activities before taxation at the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	(2,455)	5,108
Effects of:		
Expenses not deductible for tax purposes	143	426
Capital allowances for the year in excess of depreciation	(55)	(84)
Other timing differences	9	(24)
Tax losses unutilised	2,358	-
Current tax charge for the year	<u>-</u>	<u>5,426</u>

Notes to the financial statements (continued)

For the year ended 31 December 2014

4 Directors' remuneration

	2014 £'000	2013 £'000
Aggregate emoluments	3,835	3,057
Pension contributions	103	99
Total emoluments of highest paid director including pension contributions	1,510	1,110

5 Employee information

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

	2014 Number	2013 Number
Directors	5	5
Other	40	34
	45	39

	2014 £'000	2013 £'000
Wages and salaries	4,724	4,532
Staff bonuses	4,475	3,431
Social security costs	1,188	1,072
Other Pension costs	320	333
Other staff costs	152	209
	10,859	9,577

6 Pension contributions

The company participates in 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 5.

The Company operates a bonus sacrifice scheme. At 31 December 2014 pension contributions of £75,000 (2013: £69,000) payable in March 2015 under this scheme, were included within accruals in the Balance Sheet.

Notes to the financial statements (continued)

For the year ended 31 December 2014

7 Tangible assets

	Leasehold Improvements £'000	Computers, Furniture and Other £'000	Total £'000
<i>Cost</i>			
At 1 January 2014	2,398	3,316	5,714
Additions	38	359	397
Disposals	-	(513)	(513)
At 31 December 2014	<u>2,436</u>	<u>3,162</u>	<u>5,598</u>
<i>Accumulated Depreciation</i>			
At 1 January 2014	(99)	(1,489)	(1,588)
Charged in the year	(245)	(599)	(844)
Disposals	-	487	487
At 31 December 2014	<u>(344)</u>	<u>(1,601)</u>	<u>(1,945)</u>
<i>Net book value at</i>			
At 1 January 2014	<u>2,299</u>	<u>1,827</u>	<u>4,126</u>
At 31 December 2014	<u>2,092</u>	<u>1,561</u>	<u>3,653</u>

8 Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	19,221	34,116
Group relief	18	-
Deferred taxation	2,241	78
Other debtors	7,713	4,908
Prepayments and accrued income	9,517	1,215
	<u>38,710</u>	<u>40,317</u>

9 Deferred Taxation

	2014 £'000	2013 £'000
Deferred tax asset		
Accelerated capital allowances	14	52
Other timing differences	2,227	26
Total deferred tax	<u>2,241</u>	<u>78</u>

	2014 £'000
At 1 January 2014	78
Deferred tax credit in profit and loss account for period (note 3)	2,163
At 31 December 2014	<u>2,241</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

Notes to the financial statements (continued)

For the year ended 31 December 2014

10 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	14,618	16,438
Group relief	-	5,533
Taxation and Social Security	194	196
Other creditors	2,036	3,855
Accruals and deferred income	16,245	23,631
	<u>33,093</u>	<u>49,653</u>

11 Called-up share capital

	2014 Number	2014 £'000	2013 Number	2013 £'000
<i>Authorised:</i>				
Ordinary Shares of £1	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>
<i>Allotted, called-up and fully paid:</i>				
Ordinary Shares of £1	<u>5,000</u>	<u>5</u>	<u>5,000</u>	<u>5</u>

12 Reconciliation of movement in shareholder's funds

	Called up Share Capital £'000	Profit and Loss Account £'000	Total Share- holder's Funds £'000
Balance at 1 January 2014	5	70,608	70,613
Loss for the financial year	-	(9,241)	(9,241)
Balance at 31 December 2014	<u>5</u>	<u>61,367</u>	<u>61,372</u>

13 Operating lease commitments

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

	2014 Land and Buildings £'000	2014 Other £'000	2013 Land and Buildings £'000	2013 Other £'000
Expiry date				
- within one year	-	-	-	-
- between two and five years	-	29	-	29
- after five years	2,664	-	2,664	-
	<u>2,664</u>	<u>29</u>	<u>2,664</u>	<u>29</u>

A new land and building lease was signed during 2013 which will have an annual obligation of £2.6m per annum. No payment is due on this lease until 2015.

Notes to the financial statements (continued)

For the year ended 31 December 2014

14 Financial Derivatives

The Company has 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 £82m with varying maturities up to September 2018.

15 Ultimate parent undertaking

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

16 Dividends

	2014	2013
	£'000	£'000
Equity - ordinary		
Final paid: Nil (2013: £2,000 per £1 share)	-	10,000
	<u>-</u>	<u>10,000</u>