Registration number. 3880081

BRIDGEPOINT CAPITAL GROUP LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2010

Managing Partner's Statement

2010 was a year of greater economic stability when the major European economies in which Bridgepoint invests regained momentum and where opportunities to apply private equity's "can do" disciplines increased Notwithstanding this improved market outlook, some challenging business conditions remained although the hard landing predicted by many in 2009 failed to materialise

In this improving market, the Group delivered a profit before taxation for the year ended 31 December 2010 on ordinary activities arising from its various fund management and investment activities in Europe of £46 0m (2009 £38 7m) This increase in income and profitability reflects the successful sale of the Group's and our investors' investment in Pets at Home As a Group with a broad shareholder base, the Firm was able to share this success in dividend payments made during the period

Bridgepoint Europe IV, the Firm's current €4 8 billion middle market buyout fund (focusing on transactions valued between €200 million and €1 billion), committed €883 million to four new transactions with a combined enterprise value of €1 5 billion in LGC, a provider of scientific testing and forensic services across Europe, HobbyCraft, the leading UK arts and crafts retailer, Care UK, an independent healthcare service company, and in the simultaneous acquisition and merger of Histoire d'Or and Marc Orian, two leading jewellery retail businesses in France

In addition, €132 million was invested in support of 12 follow-on acquisitions for businesses already owned by Bridgepoint In a market that was characterised by occasionally unrealistic vendor pricing expectations and subject to criticism of its supposed over-reliance on secondary buyouts, five of the seven transactions made to date by Bridgepoint Europe IV have been primary deals

Bridgepoint Development Capital, which was launched in 2009 to address the smaller buyouts market (typically those deals with an enterprise value below €150 million), had an active year committing €63 million to three new investments Solhaga, a high acuity autism care business in Sweden, Lumison, an IT services provider in the UK, and BAS, a building energy management services provider, also in the UK

Value creation in the businesses that Bridgepoint acquires is primarily generated by underlying earnings growth and business repositioning rather than the simple impact of leverage and recovering valuation multiples In particular it is worth recording that under Bridgepoint ownership Pets at Home more than doubled revenues, quadrupled profits and created 1,500 jobs It is therefore pleasing to report that in 2010 most Bridgepoint-owned companies made good progress with a marked step-up in trading and EBITDA performance As a consequence, there has been significant de-leverage and in some cases a return of capital to investors or repayment of higher cost elements of debt structures There is every prospect that the improvements that were seen in trading and profitability in 2010 will continue into 2011, preparing the way for new acquisition or realisation activity

Bridgepoint continued to recognise the benefits of combining the different perspectives offered by new talent with the shared experience of its long-standing team with the appointment of several new team members across Europe

As the developing European recovery takes hold, Bridgepoint, as a well-funded and resourced firm, is able to move quickly when opportunities present themselves A more detailed review of 2010 can be found in the "Bridgepoint Annual Review 2010" which can be located on the Bridgepoint website www bridgepoint eu

Director's Report

The directors present their annual report together with the audited consolidated financial statements of Bridgepoint Capital Group Limited ("the Company") for the year ended 31 December 2010

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 £21,657,000 (2009 £7,702,000) The retained profit of £14,965,000 has been transferred to reserves (2009 £24,615,000)

Charitable donations

During the year the Group made charitable donations of £372,000 (2009 - £666,000)

Directors

The directors who held office during the year were as follows

C S J Barter *(appointed 21/06/2010)*
A R Gibbons
J R Hughes
W N Jackson
D R Shaw *(resigned 28/01/2010)*

Director's Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Director's 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 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, 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

15 June 2011

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 2010 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

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 2010 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

15 June 2011

Consolidated Profit and Loss Account

For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover	1 (k)	109,460	99,097
Fees payable		(4,623)	(2,272)
Gross profit		104,837	96,825
Administrative expenses		(59,648)	(59,413)
Operating profit		45,189	37,412
Interest receivable and similar income		890	1,313
Interest payable and similar charges		(72)	(6)
Profit on ordinary activities before tax	2	46,007	38,719
Tax on profit on ordinary activities	5	(9,385)	(6,402)
Profit on ordinary activities after tax	14	36,622	32,317
Dividends paid	14	(21,657)	(7,702)
Retained profit for the financial year		14,965	24,615

The results above relate to continuing operations

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2010

	2010 £'000	2009 £'000
Profit for the financial year	36,622	32,317
Exchange adjustments on overseas subsidiary translations	(100)	(459)
Total gains and losses recognised since the last annual report	36,522	31,858

The notes on pages 9 to 19 form part of these financial statements

Consolidated Balance Sheet
31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Intangible assets - goodwill	6	5,582	7,302
Tangible assets	7	2,757	3,268
Investments	8	55,268	41,141
		63,607	51,711
Current assets			
Debtors - due within one year	9	10,775	10,015
Cash at bank and in hand		76,709	64,678
		87,484	74,693
Creditors: amounts falling due within one year	10	(41,583)	(35,395)
Net current assets		45,901	39,298
Total assets less current liabilities		109,508	91,009
Creditors amounts falling due after more than one year	11	(4,268)	(8,507)
Provisions for liabilities and charges	12	(36,556)	(27,628)
Net assets		68,684	54,874
Capital and reserves			
Called-up share capital	13	25	25
Share Premium account	14	1,164	1,116
Capital redemption reserve	14	19	19
Own shares held by ESOT	14	(2,927)	(1,824)
Other reserves	14	1,966	2,066
Profit and Loss Account	14	68,437	53,472
Total Shareholders' Funds	14	68,684	54,874

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

15 June 2011

The notes on pages 9 to 19 form part of these financial statements

Company Balance Sheet
31 December 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	8	50,009	44,052
Current assets			
Debtors - due within one year	9	16,677	11,786
Cash at bank and in hand		705	441
		17,382	12,227
Creditors· amounts falling due within one year	10	(57,240)	(18,842)
Net current liabilities		(39,858)	(6,615)
Total assets less current liabilities		10,151	37,437
Creditors· amounts falling due after more than one year	11	(4,268)	(8,507)
Net assets		5,883	28,930
Capital and reserves			
Called-up share capital	13	25	25
Share Premium account	14	1,164	1,116
Capital redemption reserve	14	19	19
Own shares held by ESOT	14	(2,927)	(1,824)
Profit and Loss Account	14	7,602	29,594
Total Shareholders' Funds	14	5,883	28,930

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

15 June 2011

The notes on pages 9 to 19 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 December 2010

	Notes	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Net cash inflow from operating activities	15a		50,655		42,409
Returns on investments and servicing of finance					
Interest received		802		1,893	
Interest paid		(72)		(6)	
Net cash inflow from returns on investments and servicing of finance			730		1,887
Taxation					
Tax paid		(612)		(1,194)	
Net cash outflow from taxation			(612)		(1,194)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(603)		(1,963)	
Fixed asset investments acquired		(16,120)		(8,981)	
Fixed asset investments disposed		693		305	
Net cash outflow from capital expenditure and financial investment			(16,030)		(10,639)
Acquisitions					
Purchase of subsidiary undertakings		-		(4,327)	
Net cash inflow (outflow) from acquisitions			-		(4,327)
Dividends paid			(21,657)		(7,702)
Net cash inflow before financing			13,086		20,434
Financing					
Purchase of own shares		(1,103)		(1,825)	
Shares issued		48		1,123	
Net cash outflow from financing			(1,055)		(702)
Increase in cash in the year	15b		12,031		19,732

The notes on pages 9 to 19 form part of these financial statements

Notes to financial statements
For the year ended 31 December 2010

1. Accounting policies
A summary of the principal accounting policies all of which have been applied consistently throughout the 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 loss for the financial year ending 31 December 2010, determined in accordance with the Act was £335,000 (2009 - profit £27,249,000)

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 2010 or in 2009

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	2010 £'000	Restated 2009 £'000
Amortisation of goodwill	1,720	1,093
Depreciation	1,082	798
Operating lease rentals		
- land and buildings	2,006	1,847
- other	177	160
Auditors' remuneration		
- Group	179	164
- Company	21	20
Other fees paid to auditors		
- taxation fees	110	10
- accountancy	62	2
- due diligence fees	209	183
- secondee services	35	-
- other consultancy	72	45

The 2009 operating leases have been restated to enhance the disclosure only There is no corresponding restatement of profit for that year

Notes to financial statements (continued)

3 Staff costs

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

	2010 Number	2009 Number
Directors	4	4
Executives (including Directors of subsidiary undertakings)	80	73
Administrative staff	54	54
	138	131

Employee costs (including directors) for the year amounted to

	2010 £'000	2009 £'000
Wages and salaries	17,618	16,589
Staff bonuses	13,779	13,528
Social security costs	4,783	4,633
Pension costs	999	927
Other staff costs	1,500	1,494
	38,679	37,171

Directors' remuneration

Directors' remuneration was as follows

	2010 £'000	2009 £'000
Aggregate emoluments	1,273	1,275
Performance related bonus	1,332	1,186
	2,605	2,461
Pension contributions	47	52
Total emoluments of highest paid director (including pension contributions)	1,063	1,018

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 2010, pension contributions of £92,000 (2009 - £104,000) payable under this scheme were included within other creditors in the Balance Sheet

Notes to financial statements (continued)

5. Tax on profit on ordinary activities

	2010	2010	2009	2009
	£'000	£'000	£'000	£'000
Total tax charge		9,385		6,402
The tax charge for the year comprises				
UK tax		8,931		5,986
Current	*3*		*5*	
Deferred	*8,928*		*5,981*	
Foreign tax - current		503		416
(Over) provision for corporation tax in previous year		(49)		-
		9,385		6,402

Factors effecting the current tax charge

The effective rate of tax for the current year differs to the standard rate of UK corporation tax of 28% (2009 28%), mainly due to timing differences as explained below

	2010	2009
Profit on ordinary activities before tax	46,007	38,719
Profit on ordinary activities at the standard rate of UK tax	**12,882**	**10,841**
Expenses not deductible for tax purposes	786	647
Income not assessable for UK tax purposes	(1,027)	(919)
Capital allowances for year in excess of depreciation	71	(15)
Other timing differences	(12,416)	(10,084)
Income not in accounts charged to corporation tax	194	(234)
Overseas tax in excess of standard UK corporation tax rate	16	185
(Over) provision for corporation tax in previous year	(49)	-
Current tax charge for year	**457**	**421**

6 Goodwill

	Group
Cost	£'000
Beginning and end of year	10,340
Amortisation	
Beginning of year	3,038
Amortisation during the year	1,720
End of year	4,758
Net book value	
At beginning of year	7,302
At end of year	5,582

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 **Group**	Leasehold Improvements £'000	Motor Vehicles £'000	Computers, Furniture and Other £'000	Total £'000
Cost or valuation				
Beginning of year	2,765	10	2,967	5,742
Foreign exchange movement	(13)	(1)	(18)	(32)
Additions	57	101	445	603
Disposals	-	-	(58)	(58)
End of year	2,809	110	3,336	6,255
Depreciation				
Beginning of year	(898)	(5)	(1,571)	(2,474)
Foreign exchange movement	5	-	8	13
Charge	(544)	(2)	(536)	(1,082)
Disposals	-	-	45	45
End of year	(1,437)	(7)	(2,054)	(3,498)
Net book value				
Beginning of year	1,867	5	1,396	3,268
End of year	1,372	103	1,282	2,757

8. Fixed assets investments

Group	Other Investments £'000	Total £'000
Beginning of year	41,141	41,141
Additions	16,120	16,120
Disposals	(693)	(693)
Foreign exchange movement	(1,300)	(1,300)
End of year	55,268	55,268

Company	Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
Beginning of year	7,204	36,848	44,052
Additions	-	7,347	7,347
Disposals	(2)	(100)	(102)
Foreign exchange movement	-	(1,288)	(1,288)
End of year	7,202	42,807	50,009

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 effect of this departure is to reduce net assets by £2,751m (2009 - £1,998m), minority interests by £2,751m (2009 - £1,998m) and reduce profit before tax by £249m (2009 - increase profits by £287m)

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
Bridgepoint 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
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 by Bridgepoint Capital 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	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Amounts due within one year				
Amounts owed by subsidiary undertakings	-	-	14,960	10,226
Group relief	-	-	84	292
UK Corporation tax receivable	-	-	-	-
Tax recoverable	133	290	-	-
Other debtors	8,275	7,581	978	793
Prepayments and accrued income	2,367	2,144	655	475
	10,775	10,015	16,677	11,786

10 Creditors· Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings	-	-	52,982	12,750
Trade creditors	171	251	-	-
Social Security payable	451	420	-	-
Corporation tax payable	26	212	-	-
Other creditors	7,818	7,795	4,258	6,088
Bank loan	4,860	522	-	-
Accruals and deferred income	28,257	26,195	-	4
	41,583	35,395	57,240	18,842

11 Creditors: Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Other creditors	4,268	8,507	4,268	8,507

Notes to financial statements (continued)

12. Provisions for liabilities and charges

Group	Deferred Taxation 2010 £'000
At beginning of year	27,628
Credited in the year	8,928
At end of year	36,556

The deferred tax liabilty is calculated using the 27% corporate tax rate enacted at the Balance Sheet date The government announced in the 2011 Budget that the corporation tax rate would fall to 26% with effect from 1 April 2011 and fall to 23% with effect from 1 April 2014

The effect of the changes enacted by Parliament on 29 March 2011 is to reduce the deferred tax liability provided at the Balance Sheet date from £36,556,000 to £35,202,000 This £1,354,000 decrease in the deferred tax liability would increase profit by £1,354,000 This decrease in the deferred tax liability is due to the additional reduction in the coporation tax rate to 26% with effect from 1 April 2011

13 Called-up share capital

Company	2010 Number	2010 £'000	2009 Number	2009 £'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
ZZ Shares	-	-	-	-
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	701,800	7
ZZ Shares	-	-	-	-
YY Shares	1	-	1	-
	2,500,301	25	2,470,301	25

On 26 July 2010, 30,000 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 2010	25	1,116	19	2,066	(1,824)	53,472	54,874
Profit for the year	-	-	-	-	-	36,622	36,622
Movement in own shares	-	-	-	-	(1,103)	-	(1,103)
Issue of Shares	-	48	-	-	-	-	48
Dividends paid	-	-	-	-	-	(21,657)	(21,657)
Revaluation of overseas subsidiary undertakings	-	-	-	(100)	-	-	(100)
At 31 December 2010	25	1,164	19	1,966	(2,927)	68,437	68,684

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 2010	25	1,116	19	-	(1,824)	29,594	28,930
Loss for the year	-	-	-	-	-	(335)	(335)
Movement in own shares	-	-	-	-	(1,103)	-	(1,103)
Issue of Shares	-	48	-	-	-	-	48
Dividends paid	-	-	-	-	-	(21,657)	(21,657)
At 31 December 2010	25	1,164	19	-	(2,927)	7,602	5,883

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

	2010 £'000	2009 £'000
Operating profit	45,189	37,412
Depreciation charges	1,082	798
Amortisation charges	1,720	1,093
Revaluation of overseas subsidiary undertakings and investments	1,219	1,379
Increase in debtors	(672)	(294)
Increase in creditors	2,104	2,021
Loss on sale of fixed assets	13	-
Net cash inflow from operating activities	50,655	42,409

b) Analysis and reconciliation of net funds

	1 January 2010 £'000	Cash flow £'000	31 December 2010 £'000
Cash at bank	64,678	12,031	76,709

	2010 £'000	2009 £'000
Increase in cash in the year	12,031	19,732
Net funds at 1 January	64,678	44,946
Net funds at 31 December	76,709	64,678

16. Operating Lease Commitments

Annual commitments under non-cancellable operating leases are as follows

	2010 Land and Buildings £'000	2010 Other £'000	Restated 2009 Land and Buildings £'000	Restated 2009 Other £'000
Expiry date				
- within one year	-	47	28	2
- between two and five years	999	108	540	176
- after five years	1,983	-	2,203	6
	2,982	155	2,771	184

The 2009 operating leases have been restated to enhance the disclosure only There is no corresponding restatement of profit for that year

Notes to financial statements (continued)

17. Related Party Transactions

The investments in Sapphire referred to in Note 8 are made up of loans of £34,587,000 (2009 £33,070,000) and preference shares of £202,000 (2009 £202,000) at the year end

The investments in Ruby are made up of loans of £7,726,000 (2009 £3,195,000) and preference shares of £222,000 (2009 £222,000) at the year end

In respect of these investments the Company and Group received interest of £475,000 (2009 £500,000) and preference dividends of £nil (2009 £nil) £475,000 was included in debtors at the year end (2009 £387,000)

Sapphire and Ruby have common shareholders with the Company

18 Financial Derivatives

During the year, Bridgepoint Advisers Limited, a wholly owned subsidiary, entered into foreign exchange contracts to hedge against adverse exchange rate movements in Euro denominated management fees receivable At the year end the total amount outstanding under these contracts was £32m (2009 £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