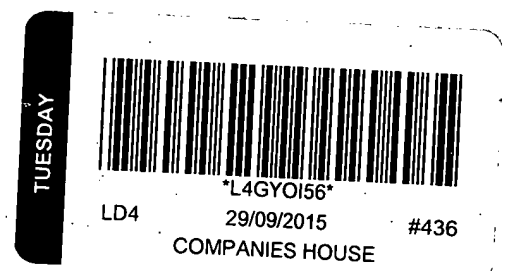


Registration number: 3880081

BRIDGEPOINT ADVISERS GROUP LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



Managing Partner's Statement

In 2014 I am very pleased to report that we once again enjoyed a strong year thanks to the consistent performance of the businesses owned by Bridgepoint funds and the Bridgepoint team's continued ability to invest and sell well. In 2014 Bridgepoint Europe Funds and Bridgepoint Development Capital II ('BDC II') committed €741 million and €85 million respectively to acquire six European based businesses in deals totalling over €1 billion and collectively, the funds returned over €2 billion to their investors.

Business Overview

2014 was very much a year of two halves in terms of the economic environment we faced across Europe. The year started strongly, if unevenly, as economic recovery provided a more favourable background for portfolio company trading and confidence. This was followed by a change in macroeconomic outlook and a resultant varied pace of recovery in the latter half of the year, demonstrating just how much market volatility has now become the 'new normal' in Europe. Paradoxically, European volatility created interesting investment opportunities with attractively priced opportunities arising in the autumn of 2014.

Bridgepoint portfolio companies again demonstrated their resilience in 2014. Despite a relatively low-growth environment throughout much of the year, our portfolio companies took advantage of variously improving economic conditions. For a fourth consecutive year our funds' investments collectively generated 12% and 11% year-on-year average revenue and EBITDA growth.

Our Bridgepoint Europe funds committed to three new investments in 2014: Moneycorp, the UK headquartered specialist foreign exchange business; eFront, the leading software provider of financial solutions for managing alternative investments, based in France; and Azzurri, a UK casual dining group, known for its two Italian-themed brands – ASK Italian and Zizzi.

During the year Bridgepoint Europe IV, a €4.8 billion buyout fund raised in late 2008, committed to its 24th and last platform investment, and moved from its 'primary' period of investment to the secondary period. This is typically the lowest point in a private equity fund's fee cycle before a new fund comes on stream. As forecast, this is reflected in decreased turnover and profit after tax levels in our 2014 results. This has already substantially reversed in 2015 with revenue exceeding 2014 levels now that our new €4 billion successor fund, Bridgepoint Europe V, is in place.

Our lower middle market fund, Bridgepoint Development Capital, which specialises in smaller buyouts and growth capital transactions, had an extremely active year in 2014. It committed to three new investments in the UK and the Nordic region via its BDC II fund: The Inspired Thinking Group, a UK specialist 'below the line' marketing services group, Phlexglobal, the specialist provider of technology-enabled document management solutions and other support services to the global clinical research market and Trustly, a Stockholm-based online payments services provider.

A key objective of any fund is to provide returns of capital to its investors via either sales of investments or interim refinancings. In 2014 Bridgepoint investments returned over €2 billion to its investors via seven exits and 11 refinancings. In the first half of the year in particular, Bridgepoint took advantage of buoyant conditions in the European leveraged loans market to complete a number of transactions across its portfolio, allowing it to balance the opportunity presented for better borrower-friendly terms with the need for prudent leverage in the growth companies that characterise Bridgepoint's middle market activities. This has meant that our investments now enjoy meaningful liquidity, headroom and flexibility as they grow.

People

We are already fortunate in the breadth and depth of talent we have developed over the years. But we always recognise that new individuals bring different perspectives. In 2014 we recruited 28 new team members across the Firm to help us achieve just that. Our ability to develop our own people and attract new colleagues therefore remains critical to our success and we recognise that if we are to improve we must evolve.

No review of people in 2014 would be complete without mention of the sad loss of Jan Hester. A friend and colleague of the Firm since 1972, Jan fought a battle with cancer for a number of years during her time with Bridgepoint. She worked through most of this period with great spirit, dedication and humour and we miss her greatly in our London office.

Managing Partner's Statement (continued)

Outlook

Bridgepoint has enjoyed a strong start to 2015 both in terms of new investment and realisation activity as well as in the robust trading performance of our investments across our Funds. The New Year also saw Bridgepoint complete raising a successor fund to BE IV, securing €4 billion of commitments from global blue chip investors in private equity. This new fund, Bridgepoint Europe V, will continue to play to Bridgepoint's key strengths and pursue similar investment themes whilst also being very alert to new types of opportunity arising from recovery.

Perhaps counter intuitively, political and economic instability might look a threat to investment performance, but in these sometimes uncertain markets we continue to generate good opportunities to acquire middle market companies in Europe. In executing its strategy, Bridgepoint will continue to focus on investing in businesses operating in higher growth niches and acquiring companies with operationally-led transformation potential, with strong financial metrics and the ability to grow both organically through domestic and international sales growth and by add-on acquisitions.

Behind these achievements lie the commitment and hard work of a very dedicated group of people - the management teams and employees of the companies we back. I thank all of them for their drive, energy and discipline over the last 12 months. With their continued help and that of our own talented, hardworking colleagues across Europe, Bridgepoint remains fit and hungry for the challenges and opportunities presented by these times.



William Jackson
Managing Partner

A more detailed review of 2014 can be found in the Bridgepoint Annual review located on our website at www.bridgepoint.eu.

Strategic Report

The profit for the financial year is £21.9m (2013: £34.8m) and at the year end the Group has net assets of £147m (2013: £130.7m).

A review of the business and an analysis of development and performance during the year is addressed within the Managing Partner's Statement.

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. Moreover, an Audit & Risk Committee ensures the proper and fair application of the laws and regulatory best practices.

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.

Directors' Report

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

Results and Dividends

The directors have paid dividends in total of £4,687,000 (2013: £4,771,000). The retained profit of £17,158,000 has been transferred to reserves (2013: £30,061,000). Please see the Strategic Report and Managing Partner's Statement for current and future developments of the Group and Company.

Directors

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

C S J Barter
B Bassi
J R Hughes
W N Jackson
J M Maldonado

Directors' Report (continued)

Directors' Indemnity

Bridgepoint Advisers Limited maintains liability insurance for directors and officers of the 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, 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:

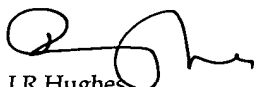
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

21 September 2015

Independent auditors' report

TO THE MEMBERS OF BRIDGEPOINT ADVISERS GROUP LIMITED

Report on the Financial Statements

Our opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 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.

What we have audited

Bridgepoint Advisers Group Limited's financial statements comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2014;
- the Consolidated Profit and Loss Account and the Consolidated Statement of Total Recognised Gains and Losses for the year then ended;
- the Consolidated Cash Flow Statement 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 Directors' Report 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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 4, 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 group's and 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 Consolidated 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

21 September 2015

Consolidated Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	1 (l)	64,948	103,400
Fees payable		<u>(1,646)</u>	<u>(2,444)</u>
Gross profit		63,302	100,956
Administrative expenses		<u>(72,874)</u>	<u>(70,778)</u>
Operating (loss)/profit		<u>(9,572)</u>	<u>30,178</u>
Other income		<u>1,641</u>	<u>-</u>
(Loss)/ profit on ordinary activities before interest and taxation		<u>(7,931)</u>	<u>30,178</u>
Interest receivable and similar income		712	878
Interest payable and similar charges		<u>(265)</u>	<u>(349)</u>
(Loss)/ profit on ordinary activities before taxation	2	<u>(7,484)</u>	<u>30,707</u>
Tax credit for the year	5	29,353	4,101
Profit on ordinary activities after taxation	14	<u>21,869</u>	<u>34,808</u>
Equity minority interests		(24)	24
Dividends paid	14	<u>(4,687)</u>	<u>(4,771)</u>
Retained profit for the financial year		<u>17,158</u>	<u>30,061</u>

The results above relate to continuing operations.

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

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit for the financial year	21,869	34,808
Exchange adjustments on overseas subsidiary translations	<u>(887)</u>	<u>(128)</u>
Total gains and losses recognised since the last annual report	<u>20,982</u>	<u>34,680</u>

The notes on pages 11 to 22 form part of these financial statements

Consolidated Balance Sheet

31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets - goodwill	6	1,082	1,300
Tangible assets	7	4,759	5,650
Investments	8	<u>78,234</u>	<u>90,330</u>
		84,075	97,280
Current assets			
Debtors	9	26,465	13,996
Cash at bank and in hand		<u>86,016</u>	<u>110,472</u>
		112,481	124,468
Creditors: amounts falling due within one year	10	<u>(48,212)</u>	<u>(59,714)</u>
Net current assets		<u>64,269</u>	<u>64,754</u>
Total assets less current liabilities		148,344	162,034
Creditors: amounts falling due after more than one year	11	(1,330)	(1,701)
Provisions for liabilities	12	<u>-</u>	<u>(29,614)</u>
Net assets		<u>147,014</u>	<u>130,719</u>
Capital and reserves			
Called-up share capital	13	19	19
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	25	25
Other reserves	14	745	1,632
Profit and Loss Account	14	<u>145,083</u>	<u>127,925</u>
Total Shareholders' Funds	14	<u>147,036</u>	<u>130,765</u>
Minority interests		(22)	(46)
Capital employed		<u>147,014</u>	<u>130,719</u>

The financial statements on pages 7 to 22 were approved by the Board of Directors and signed on its behalf by:



J R Hughes
Director

21 September 2015

The notes on pages 11 to 22 form part of these financial statements

Company Balance Sheet

31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	8	52,446	69,372
Debtors	9	<u>10,297</u>	<u>19,125</u>
Current assets			
Debtors	9	12,211	8,740
Cash at bank and in hand		<u>7,569</u>	<u>2,050</u>
		19,780	10,790
Creditors: amounts falling due within one year	10	<u>(83,092)</u>	<u>(90,785)</u>
Net current liabilities		<u>(63,312)</u>	<u>(79,995)</u>
Total assets less current liabilities		(569)	8,502
Creditors: amounts falling due after more than one year	11	-	<u>(769)</u>
Net (liabilities) assets		<u>(569)</u>	<u>7,733</u>
Capital and reserves			
Called-up share capital	13	19	19
Share Premium account	14	1,164	1,164
Capital redemption reserve	14	25	25
Own shares held by ESOT	14	-	-
Profit and Loss Account	14	<u>(1,777)</u>	<u>6,525</u>
Total Shareholders' Funds	14	<u>(569)</u>	<u>7,733</u>

The financial statements on pages 7 to 22 were approved by the Board of Directors and signed on its behalf by:



J R Hughes
Director

21 September 2015

The notes on pages 11 to 22 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014		2013	
		£'000	£'000	£'000	£'000
Net cash (outflow) inflow from operating activities	15a		<u>(26,755)</u>		<u>46,304</u>
Returns on investments and servicing of finance					
Interest received		673		1,046	
Interest paid		<u>(265)</u>		<u>(349)</u>	
Net cash inflow from returns on investments and servicing of finance			408		697
Taxation					
Tax paid		<u>(118)</u>		<u>(1,617)</u>	
Net cash outflow from taxation			(118)		(1,617)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(577)		(4,215)	
Fixed asset investments acquired		<u>(21,446)</u>		<u>(15,080)</u>	
Fixed asset investments disposed		<u>28,719</u>		<u>17,436</u>	
Net cash inflow (outflow) from capital expenditure and financial investment			6,696		(1,859)
Dividends paid			(4,687)		(4,771)
Net cash (outflow) inflow before financing			<u>(24,456)</u>		<u>38,754</u>
Financing					
New bank and other loans					
Purchase of own shares		<u>-</u>		<u>(4,988)</u>	
Net cash inflow (outflow) from financing			-		(4,988)
(Decrease) increase in cash in the year	15b		<u>(24,456)</u>		<u>33,766</u>

The notes on pages 11 to 22 form part of these financial statements.

Notes to 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) 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. Bridgepoint Advisers Group Limited is the only company within the group to consolidate its financial statements.

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 2014, determined in accordance with the Act was £3,615,000 (2013: profit £11,945,000).

c) Goodwill

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.

d) 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

e) 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.

f) 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.

Notes to financial statements (continued)

For the year ended 31 December 2014

1. Accounting policies (continued)

g) 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.

h) Placement agents' fees

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

i) 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.

j) 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.

k) Investments

Investments are held at cost less provision for any impairment in value.

l) 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. (Loss)/ profit on ordinary activities before taxation

(Loss)/ profit on ordinary activities before taxation is stated after charging:

	2014 £'000	2013 £'000
Amortisation of goodwill	218	842
Depreciation	1,269	1,045
Operating lease rentals		
- land and buildings	4,032	4,345
- other	149	159
Auditors' remuneration		
- Group	220	201
- Company	21	20
Other fees paid to auditors		
- taxation fees	581	109
- due diligence fees	-	246
- other consultancy	121	5
	<hr/>	<hr/>

Notes to financial statements (continued)

For the year ended 31 December 2014

3. Staff costs

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

	2014 Number	2013 Number
Directors	5	5
Executives (including Directors of subsidiary undertakings)	97	83
Administrative staff	83	76
	<u>185</u>	<u>164</u>

Employee costs (including directors) for the year amounted to:

	2014 £'000	2013 £'000
Wages and salaries	21,426	21,041
Staff bonuses	17,037	15,245
Social security costs	6,658	6,337
Pension costs	1,061	1,080
Other staff costs	831	623
	<u>47,013</u>	<u>44,326</u>

Directors' remuneration

Directors' remuneration was as follows:

	2014 £'000	2013 £'000
Aggregate emoluments	<u>4,455</u>	<u>3,139</u>
Pension contributions	<u>22</u>	<u>22</u>
Total emoluments of highest paid director (including pension contributions)	<u>1,510</u>	<u>1,110</u>

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 2014, pension contributions of £257,000 (2013: £202,000) payable under this scheme were included within other creditors in the Balance Sheet.

Notes to financial statements (continued)

For the year ended 31 December 2014

5. Tax credit for the year

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Tax credit for the year		<u>(29,353)</u>		<u>(4,101)</u>
Tax credit for the year		<u>(29,353)</u>		<u>(4,101)</u>
The tax credit for the year comprises:				
UK tax		(29,729)		(4,581)
<i>Deferred excluding corporation tax rate change</i>	<u>(29,729)</u>		<u>(4,581)</u>	
	(29,729)		(4,581)	
Foreign tax - current		<u>376</u>		<u>480</u>
		<u>(29,353)</u>		<u>(4,101)</u>

Factors affecting the current tax (credit)/charge

The effective rate of tax for the current year differs to the standard rate of UK corporation tax of 21.49% (2013: 23.25%), mainly due to timing differences as explained below:

(Loss)/ profit on ordinary activities before taxation	<u>(7,484)</u>	<u>30,707</u>
(Loss)/ profit on ordinary activities at the standard rate of UK tax	(1,607)	7,138
Expenses not deductible for tax purposes	210	368
Income not charged to UK Corporation tax	(1,751)	(13,042)
Capital allowances for year in excess of depreciation	(54)	(79)
Other timing differences	2,149	5,417
Income not in accounts charged to corporation tax	880	1,529
Partnership allocation	485	(612)
Overseas tax in excess of standard UK corporation tax rate	<u>64</u>	<u>(239)</u>
Current tax charge for year	376	480
Deferred tax credit excluding corporation tax rate change	<u>(29,729)</u>	<u>(4,581)</u>
Total tax credit	<u>(29,353)</u>	<u>(4,101)</u>

Notes to financial statements (continued)

For the year ended 31 December 2014

6. Intangible assets - Goodwill

	<u>Group</u> £'000
Cost	
At beginning and end of year	<u>10,340</u>
Accumulated Amortisation	
Beginning of year	9,040
Amortisation during the year	<u>218</u>
End of year	<u>9,258</u>
Net book value	
At beginning of year	<u>1,300</u>
At end of year	<u>1,082</u>

The goodwill arising on the acquisition in May 2009 from Hermes Fund Managers Limited was amortised on a straight-line basis over four years and is now fully amortised. The historic goodwill is being amortised over twenty years.

7: Tangible 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	3,836	69	5,056	8,961
Foreign exchange movement	(87)	(2)	(111)	(200)
Additions	177	-	400	577
Disposals	(16)	(1)	(652)	(669)
End of year	<u>3,910</u>	<u>66</u>	<u>4,693</u>	<u>8,669</u>
Accumulated Depreciation				
Beginning of year	(848)	(41)	(2,422)	(3,311)
Foreign exchange movement	46	1	69	116
Charge	(427)	(13)	(829)	(1,269)
Disposals	-	-	554	554
End of year	<u>(1,229)</u>	<u>(53)</u>	<u>(2,628)</u>	<u>(3,910)</u>
Net book value				
Beginning of year	<u>2,988</u>	<u>28</u>	<u>2,634</u>	<u>5,650</u>
End of year	<u>2,681</u>	<u>13</u>	<u>2,065</u>	<u>4,759</u>

Notes to financial statements (continued)

For the year ended 31 December 2014

8. Investments

Group	Other Investments £'000	Total £'000
Beginning of year	90,330	90,330
Additions	21,446	21,446
Disposals	(28,719)	(28,719)
Foreign exchange movement	(4,823)	(4,823)
End of year	<u>78,234</u>	<u>78,234</u>

Company	Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
Beginning of year	7,202	62,170	69,372
Additions	-	2,049	2,049
Disposals	-	(15,776)	(15,776)
Foreign exchange movement	-	(3,199)	(3,199)
End of year	<u>7,202</u>	<u>45,244</u>	<u>52,446</u>

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 financial statements would not show a true and fair view.

The interests of the Group in qualifying partnerships have been incorporated in the financial statements 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.

Notes to financial statements (continued)

For the year ended 31 December 2014

8. Investments (continued)

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 Advisers II Limited	England	Private equity management company
Bridgepoint France SAS	France	Private equity management company
Bridgepoint S.r.l **	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 Advisers Europe Limited	England	Private equity advisory company
Bridgepoint Advisers UK Limited	England	Private equity advisory company
BE Advisers S.à.r.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 (SGP) Limited	Scotland	General Partner to UK Limited Partnerships
Horningway Limited	England	General Partner to UK Limited Partnerships
BDC II (SGP) Limited (formerly BDC I (SGP) 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
101 Investments Nominees Limited	England	Nominee company
BBTPS Nominees Limited	England	Nominee company
BDC Special 1 Limited	England	Dormant company
BDC Special 2 Limited	England	Dormant company
BDC Bidco 63 Limited	England	Dormant company
BDC Bidco 65 Limited	England	Dormant company
BDC Bidco 66 Limited	England	Dormant company
BDC II Nominees Limited	England	Nominee company
BDC Special GP LLP	England	Dormant company
BE II Investments (GP) Limited	England	Dormant company
BEV FP Limited	England	Founder Partner to UK Limited Partnerships
BEV FP SGP Limited	England	General Partner to UK Limited Partnerships
BEV GP 2 Limited	England	General Partner to UK Limited Partnerships
BEV GPC Limited	England	General Partner to UK Limited Partnerships
BEV MLP Limited	England	Dormant company
BEV Nominees Limited	England	Nominee company
Bridgepoint Capital Directorships Limited	England	Dormant company
Bridgepoint Europe III (Nominees) 1 Limited	England	Dormant company
Bridgepoint Europe III (Nominees) 2 Limited	England	Dormant company
Bridgepoint Europe III (Nominees) 3 Limited	England	Dormant company
Bridgepoint Europe III (Nominees) 4 Limited	England	Dormant company
Bridgepoint Europe IV (Nominees) 1 Limited	England	Dormant company
Bridgepoint Infrastructure Development Limited	England	Dormant company
Bridgepoint Real Estate Development Limited	England	Dormant company
Bridgepoint Capital (Doolittle) Limited	England	Dormant company

Notes to financial statements (continued)

For the year ended 31 December 2014

8. Investments (continued)

Bridgepoint Capital (Nominees) 2 Limited	England	Nominee company
Bridgepoint Capital (Nominees) Limited	England	Nominee company
Bridgepoint Capital Partners Limited	England	Dormant company
Bridgepoint Capital Trustee Limited	England	Dormant company
Bridgepoint Debt Funding Limited	England	Dormant company
Bridgepoint Debt Management Limited	England	Dormant company
Bridgepoint Debt Managers Limited	England	Dormant company
Bridgepoint Development Capital Limited	England	Dormant company
Bridgepoint Europe IV (Nominees) Limited	England	Dormant company
Bridgepoint Europe IV Bidco 15 Limited	England	Dormant company
Bridgepoint Europe Limited	England	Dormant company
Bridgepoint Finance Limited	England	Dormant company
Bridgepoint Group Holdings Limited	England	Dormant company
Bridgepoint Group Limited	England	Dormant company
Bridgepoint Holdings Group Limited	England	Dormant company
Bridgepoint Holdings Limited	England	Dormant company
Bridgepoint Infrastructure Limited	England	Dormant company
Bridgepoint International Limited	England	Dormant company
Bridgepoint Partners Limited	England	Dormant company
Bridgepoint Private Equity Limited	England	Dormant company
Bridgepoint Property Advisers Limited	England	Dormant company
Bridgepoint Property Development Limited	England	Dormant company
Bridgepoint Real Estate Advisers Limited	England	Dormant company
Bridgepoint Real Estate Limited	England	Dormant company
Bridgepoint Structured Credit Limited	England	Dormant company
Horninghaven Limited	England	Dormant 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 S.r.l is 10% owned by the Company and 90% by Bridgepoint Advisers Europe Limited

The directors believe that the carrying value of the investments is supported by their underlying net assets.

9. Debtors

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
<i>Amounts due in more than one year:</i>				
Amounts owed by group undertakings	-	-	10,297	19,125
<i>Amounts due within one year:</i>				
Amounts owed by group undertakings	-	-	9,869	6,611
Group relief	-	-	398	-
Tax recoverable	1,580	264	-	-
Other debtors	14,360	10,944	1,463	1,575
Prepayments and accrued income	10,525	2,788	481	554
	<u>26,465</u>	<u>13,996</u>	<u>12,211</u>	<u>8,740</u>

Notes to financial statements (continued)

For the year ended 31 December 2014

10. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	-	-	82,071	89,305
Trade creditors	2,354	3,129	74	-
Group relief	-	-	-	501
Social Security payable	1,539	1,492	-	-
Corporation tax payable	143	-	-	-
Other creditors	2,360	2,512	750	790
Bank loan	8,225	13,366	-	-
Accruals and deferred income	33,591	39,215	197	189
	<u>48,212</u>	<u>59,714</u>	<u>83,092</u>	<u>90,785</u>

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

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Other creditors	<u>1,330</u>	<u>1,701</u>	<u>-</u>	<u>769</u>

12. Provisions for liabilities

Group	Deferred Taxation 2014 £'000
At beginning of year	29,614
Credited in the year	<u>(29,729)</u>
At end of year	<u>-</u>

13. Called-up share capital

Company	2014	2014	2013	2013
	Number	£'000	Number	£'000
<i>Authorised</i>				
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	-
	<u>2,957,751</u>	<u>30</u>	<u>2,957,751</u>	<u>30</u>
<i>Allotted, called-up and paid</i>				
Original ordinary shares of 1p each	985,000	10	985,000	10
Series II ordinary shares of 1p each	347,000	3	347,000	3
Series III ordinary shares of 1p each	585,150	6	585,150	6
YY Shares	1	-	1	-
	<u>1,917,151</u>	<u>19</u>	<u>1,917,151</u>	<u>19</u>

Notes to financial statements (continued)

For the year ended 31 December 2014

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 2014	19	1,164	25	1,632	-	127,925	130,765
Profit for the year	-	-	-	-	-	21,845	21,845
Dividends paid	-	-	-	-	-	(4,687)	(4,687)
Revaluation of overseas subsidiary undertakings	-	-	-	(887)	-	-	(887)
At 31 December 2014	19	1,164	25	745	-	145,083	147,036
Company							
At 1 January 2014	19	1,164	25	-	-	6,525	7,733
Loss for the year	-	-	-	-	-	(3,615)	(3,615)
Dividends paid	-	-	-	-	-	(4,687)	(4,687)
At 31 December 2014	19	1,164	25	-	-	(1,777)	(569)

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.

Following the material movement in EUR:GBP exchange rates through 2014, a revaluation of the Company's investments (which are held at the lower of cost and Net Book Value) led the distributable reserves balance of the Company to become negative (although the Group reserves balance at the end of 2014 was in excess of £145m). A dividend of £15m has been paid up from subsidiaries following the year-end to return the reserves of the Company to a positive balance.

Notes to financial statements (continued)

For the year ended 31 December 2014

15. Cash flow information

a) Reconciliation of operating (loss) /profit to net (outflow) inflow from operating activities

	2014 £'000	2013 £'000
Operating (loss) / profit	(9,572)	30,178
Other income	1,641	-
Depreciation charges	1,269	1,045
Amortisation charges	218	842
Revaluation of overseas subsidiary undertakings and investments	4,020	(2,169)
(Increase) decrease in debtors	(12,430)	358
(Decrease) increase in creditors	(12,016)	15,872
Loss on sale of fixed assets	115	178
Net cash (outflow) inflow from operating activities	(26,755)	46,304

b) Analysis and reconciliation of net funds

	1 January 2014 £'000	Cash flow £'000	31 December 2014 £'000
Cash at bank	110,472	(24,456)	86,016
		2014 £'000	2013 £'000
(Decrease) increase in cash in the year		(24,456)	33,766
Net funds at 1 January	110,472	110,472	76,706
Net funds at 31 December		86,016	110,472

16. 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	408	44	327	2
- between two and five years	833	80	998	141
- after five years	3,137	-	3,171	-
	<u>4,378</u>	<u>124</u>	<u>4,496</u>	<u>143</u>

A land and building lease has been signed which will have an annual obligation of £2.6m per annum. The lease commenced in 2013 although nothing is payable on this lease until 2015.

Notes to financial statements (continued)

For the year ended 31 December 2014

17. Related Party Transactions

The investments in Sapphire Investments (Guernsey) Limited referred to in Note 8 are made up of loans of £31,270,000 (2013: £35,261,000) and preference shares of £202,000 (2013: £202,000) at the year end.

The investments in Ruby Investments (Guernsey) Limited are made up of loans of £10,205,000 (2013: £18,979,000) and preference shares of £222,000 (2013: £222,000) at the year end.

In respect of these investments the Company and Group received interest income of £507,000 (2013: £573,000) and preference dividends of £nil (2013: £nil). £595,000 was included in debtors at the year end (2013: £560,000).

Sapphire Investments (Guernsey) Limited and Ruby Investments (Guernsey) Limited have certain common shareholders with the Company.

La Financière Amenon, a company owned by B Bassi a director of Bridgepoint Advisers Group Limited, received £449,000 for services provided to the Bridgepoint Group during 2014 (2013: £459,000). The fees received during the period he was a director of the Company are included within the directors' remuneration in note 3. An amount of £156,000 is included in creditors at the year end (2013: £167,000).

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 £82m (2013: £35m) with varying maturities up to September 2018.

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.

20. Dividends

	2014	2013
	£'000	£'000
Equity - ordinary		
Final paid: £2.50 per £1 share (2013: £2.50 per £1 share)	<u>4,687</u>	<u>4,771</u>

21. 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.

22. Post balance sheet event

On 7 July 2015 the Company and its shareholders entered into an agreement which will see existing shareholders sell 100% of their shares to a newly incorporated company called Bridgepoint Group Limited. Bridgepoint Group Limited will become the sole shareholder in the Company and will be owned by its employees.

The transaction is anticipated to complete in October 2015.