

Registration number 3220373

BRIDGEPOINT CAPITAL LIMITED  
REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 2006



# Report of the directors

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2006

## Principal activity and review of business

The Company acts as a fund manager. The Company is regulated by the Financial Services Authority. The directors are satisfied with the results for the year and anticipate activities to continue at similar levels. The financial risks are discussed in the accounts of the ultimate parent undertaking.

## Results and dividends

The results for the year are shown on page 5.

The directors have paid a dividend of £4,750,000 (2005 £nil). The retained profit of £1,090,000 has been transferred to reserves (2005 £4,644,000).

## Directors

The directors who held office during the year were as follows:

M N Black	A S Lewis
C J Busby	R P Moores
J Davison	J G Murray
M R Davy	C G Oldroyd
G Dewhurst (resigned 31 December 2006)	W S Paul (appointed 15 May 2006)
M Dunn	A Payne
P A C Fox	K P Reynolds
A R Gibbons	D R Shaw
V M L Gwilliam	C Stirling (resigned 11 September 2006)
J R Hughes	J C Wakefield
W N Jackson	M E D Walton
R Jenkins (appointed 10 July 2006)	G P Weldon
B Lawson	A Willetts (resigned 5 September 2006)
J McGibbon (appointed 15 May 2006)	

## Report of the directors (continued)

### Directors' interests

None of the directors in office at 31 December 2006 held any interest in the share capital of the Company

The interest of those who were directors of the company at 31 December 2006 in the Ordinary Shares of Bridgepoint Capital Group Limited were

	Original ordinary shares of 1p each		Series II ordinary shares of 1p each	
	As at 1 January 2006*	As at 31 December 2006	As at 1 January 2006*	As at 31 December 2006
M N Black	45,000	45,000	20,000	20,000
C Busby	7,000	7,000	13,000	13,000
J Davison	-	-	30,000	30,000
M R Davy	55,500	55,500	9,500	9,500
G Dewhurst	150,000	-	-	-
M Dunn	30,000	30,000	15,000	15,000
P Fox	-	-	30,000	30,000
V M L Gwilliam	55,500	55,500	9,500	9,500
B Lawson	4,500	4,500	5,500	5,500
A S Lewis	150,000	150,000	-	-
J McGibbon	-	-	15,000	15,000
R P Moores	45,000	45,000	20,000	20,000
J G Murray	45,000	45,000	20,000	20,000
C G Oldroyd	45,000	45,000	20,000	20,000
W Paul	6,500	6,500	13,500	13,500
A Payne	30,000	30,000	15,000	15,000
K P Reynolds	102,000	102,000	38,000	38,000
J C Wakefield	30,000	30,000	20,000	20,000
G P Weldon	45,000	45,000	20,000	20,000

*\*or date of appointment if later*

The interest of Alistair Gibbons, Raoul Hughes, William Jackson and David Shaw in the ordinary share capital of the ultimate parent company, Bridgepoint Capital Group Limited, at 31 December 2006 are disclosed in the financial statements of that company. No other director had any interest in any group company at the year end.

## Report of the directors (continued)

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

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

The directors confirm that they have complied with the above requirements in preparing the financial statements

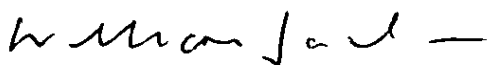
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

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

### Auditor

During the year KPMG Audit Plc resigned and PricewaterhouseCoopers LLP were appointed as auditor

By Order of the Board



W N Jackson  
Director

24 April 2007

# Independent auditors' report

## TO THE MEMBERS OF BRIDGEPOINT CAPITAL LIMITED

We have audited the financial statements of Bridgepoint Capital Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

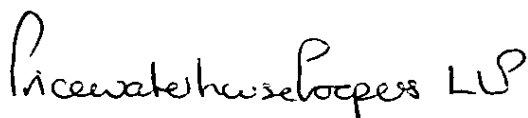
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors, London

24 April 2007

**Profit and Loss Account**  
For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Fees and commissions receivable		45,716	37,982
Fees and commissions payable		(15,210)	(7,678)
Gross profit		<u>30,506</u>	<u>30,304</u>
Administrative expenses		(22,855)	(22,975)
Profit on ordinary activities before interest and taxation	2	<u>7,651</u>	<u>7,329</u>
Bank interest receivable		922	356
Profit on ordinary activities before taxation		<u>8,573</u>	<u>7,685</u>
Taxation on ordinary activities	3	(2,733)	(3,041)
Profit on ordinary activities after taxation		<u>5,840</u>	<u>4,644</u>
Dividends		(4,750)	-
Retained profit for the year	11	<u>1,090</u>	<u>4,644</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

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

## Balance Sheet

As at 31 December 2006

	Notes	2006 £'000	2005 £'000
<b>Fixed assets</b>			
Tangible fixed assets	7	1,624	364
<b>Current assets</b>			
Debtors	8	14,055	26,701
Cash at Bank		20,160	11,583
		<u>34,215</u>	<u>38,284</u>
<b>Current liabilities</b>			
Creditors Amounts payable within one year	9	(28,970)	(32,869)
<b>Net current assets</b>		<u>5,245</u>	<u>5,415</u>
<b>Net assets</b>		<u>6,869</u>	<u>5,779</u>
<b>Capital and reserves</b>			
Called-up Share Capital	10	5	5
Profit & Loss Account	11	6,864	5,774
<b>Equity shareholder's funds</b>	11	<u>6,869</u>	<u>5,779</u>

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



W N Jackson  
Director

24 April 2007

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

# Notes to the financial statements

For the year ended 31 December 2006

## 1 Accounting policies

### (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 and the Companies Act 1985

### (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 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 management requirement to disclose related party transactions within the group on the grounds that more than 90% 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 as they become payable

### (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) Depreciation

Depreciation is provided on a straight line basis 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 charged to the profit and loss account on a straight line basis over 2 years from final closing. Amounts paid in advance of the profit and loss charge are included in prepayments

### (h) Income recognition

Income comprises management and transaction fees earned from the management of various private equity partnerships and is recognised in the profit and loss account as it accrues

### (i) Operating Lease Rentals

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

### (j) Abort costs

Abort costs 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 2006

### 2 Profit on ordinary activities before taxation

	2006	2005
	£'000	£'000
This is stated after charging		
Depreciation	332	152
Operating lease rentals		
- plant and machinery	41	32
- other	1,097	943
Audit fees	99	64

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

### 3 Taxation

	2006	2005
	£'000	£'000
The tax charge for the year comprises		
Current tax charge for the period	2,738	3,075
Adjustment to prior years	(5)	(34)
	<u>2,733</u>	<u>3,041</u>
Profit on ordinary activities before taxation	<u>8,573</u>	<u>7,685</u>
Profit on ordinary activities before taxation at the standard rate of corporation tax in the UK of 30% (2005 - 30%)	2,572	2,306
Effects of		
Expenses not deductible for tax purposes	122	665
Capital allowances for period in excess of depreciation	(19)	(15)
Other timing differences	63	119
Current tax charge for the period	<u>2,738</u>	<u>3,075</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2006

### 4 Directors' remuneration

	2006 £'000	2005 £'000
Directors' fees, salaries and other benefits	3,885	3,497
Performance related bonus	3,696	3,959
Total emoluments received by directors (excluding pension contributions)	<u>7,581</u>	<u>7,456</u>
Pension contributions	<u>1,156</u>	<u>879</u>
Total emoluments of highest paid director including pension contributions	<u>943</u>	<u>774</u>

### 5 Employees

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

	2006 Number	2005 Number
Directors	28	26
Executives	11	14
Administration	31	33
	<u>70</u>	<u>73</u>

	2006 £'000	2005 £'000
Wages and salaries	5,878	5,882
Staff bonuses	5,810	5,719
Social security costs	1,520	1,575
Pension costs	1,358	1,199
Other staff costs	605	527
	<u>15,171</u>	<u>14,902</u>

### 6 Pension contributions

The company operates a defined contributions pension scheme for its Directors and Employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The scheme is a non-contributory scheme but does permit employee contributions to a maximum of 15% of relevant earnings. The pension cost charge for the period has been shown as part of the staff costs in note 6. The company operates a bonus sacrifice scheme. At 31 December 2006 pension contributions of £895,000 payable in March 2007 under this scheme, were included within accruals in the balance sheet.

## Notes to the financial statements (continued)

For the year ended 31 December 2006

### 7 Fixed assets

	Leasehold Improvements £'000	Computers, Furniture and Other £'000	Total £'000
<i>Cost</i>			
At 1 January 2006	-	797	797
Additions	1,042	561	1,603
Disposals	-	(182)	(182)
At 31 December 2006	<u>1,042</u>	<u>1,176</u>	<u>2,218</u>
<i>Depreciation</i>			
At 1 January 2006	-	(433)	(433)
Charged in the year	(104)	(228)	(332)
Disposals	-	171	171
At 31 December 2006	<u>(104)</u>	<u>(490)</u>	<u>(594)</u>
<i>Net book value at</i>			
At 31 December 2005	-	364	364
At 31 December 2006	<u>938</u>	<u>686</u>	<u>1,624</u>

### 8 Debtors

	2006 £'000	2005 £'000
Amounts owed by parent and fellow subsidiary undertakings	9,094	15,473
Prepayments	3,889	8,419
Other debtors	1,072	2,809
	<u>14,055</u>	<u>26,701</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2006

### 9 Creditors' amounts falling due within one year

	2006 £'000	2005 £'000
Amounts owed to parent and fellow subsidiary undertakings	4,354	7,077
Group relief	2,733	1,051
UK Corporation tax and Social Security payable	231	996
Accruals	20,224	23,250
Other creditors	1,428	495
	<u>28,970</u>	<u>32,869</u>

### 10 Called-up share capital

	2006 Number	2005 Number	2006 £'000	2005 £'000
<i>Authorised</i>				
Ordinary Shares of £1	<u>50,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>
<i>Allotted, called-up and fully paid</i>				
Ordinary Shares of £1	<u>5,000</u>	<u>5,000</u>	<u>5</u>	<u>5</u>

### 11 Reconciliation of movement in shareholder's funds

	Share Capital £'000	Profit & Loss Account £'000	Share- holder's Funds £'000
Balance at 31 December 2005	5	5,774	5,779
Result for the year	-	5,840	5,840
Dividends	-	(4,750)	(4,750)
Balance at 31 December 2006	<u>5</u>	<u>6,864</u>	<u>6,869</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2006

### 12 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2006 Land and Buildings £'000	2006 Other £'000	2005 Land and Buildings £'000	2005 Other £'000
Expiry date				
- between two and five years	97	55	-	30
- after five years	1,133	-	-	-
	<u>1,230</u>	<u>55</u>	<u>-</u>	<u>30</u>

### 13 Ultimate parent undertaking

The ultimate parent company is Bridgepoint Capital Group Limited

The results of the company are consolidated in the group financial statements of Bridgepoint Capital Group Limited. These are the largest and smallest group of undertakings which include the results of the company. Copies of the financial statements of Bridgepoint Capital Group Limited are available at Companies House, Crown Way, Cardiff