Bridgepoint

2021

Bridgepoint Group plc
Annual Report and Accounts

Financial Highlights

Assets under management (AUM)

€32.9bn

(2020: €26.6bn)

Underlying profit before tax

£90.5m

(2020: £52.6m)

Total operating income

£270.6m

(2020: £191.8m)

Reported proforma earnings per share

7.02p

(2020: 5.79p)

Underlying EBITDA

£113.9m

(+71.5%)

Underlying proforma earnings per share

10.41p

(2020: 6.29p)

Reported profit before tax

£62.6m

(2020: £48.5m)

Front cover image:
To mark Bridgepoint's admission to the London Stock Exchange, the firm planted a tree for every colleague in partnership with the Queen's Green Canopy.

An explanation of the alternative performance measures ("APMs") used by the Group, including underlying profit before tax, underlying EBITDA and reported and underlying proforma earnings per share, is set out on pages 36 to 37 along with a reconciliation to the statutory measures.

Bridgepoint is an international alternative asset fund management group with offices in Europe, the US and China. We support growth businesses with a European focus and seek to create value by helping to build companies with greatly enhanced long-term potential.

The 2021 Annual Report and Accounts for Bridgepoint Group plc (the "Group") incorporates:

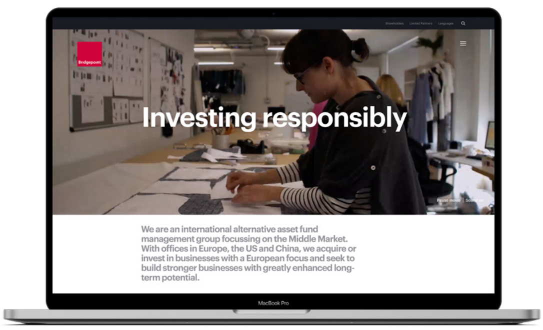
- the Strategic Report;
- the Directors' Report, the Corporate Governance Statement and the Directors' Remuneration Report; and
- the Financial Statements

each of which has been approved by the board of directors of Bridgepoint Group plc.

Sandra Dadd
Company Secretary

29 March 2022

Find out more
www.bridgepoint.eu



Contents

Bridgepoint at a glance

Who we are

Bridgepoint Group plc is one of the world's leading quoted private assets growth investors with over €32 billion AUM and local presence in Europe, the US and China. We specialise in private equity and private credit and invest internationally across six principal sectors – business services, consumer, financial services, healthcare, advanced industrials, and technology.

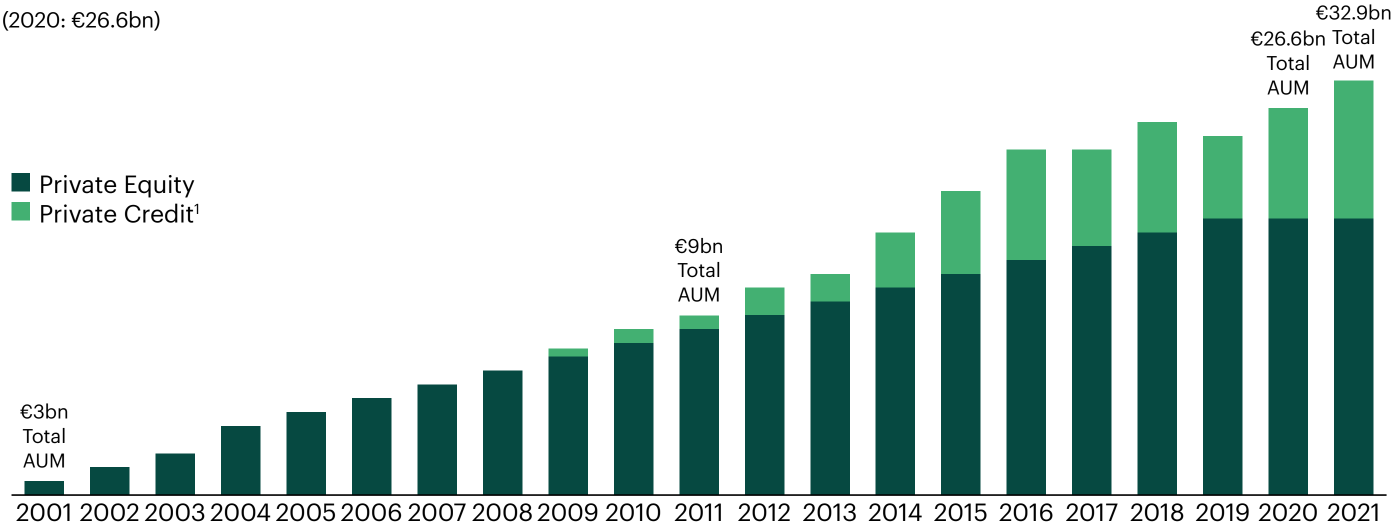
Led by a team of partners who have a long history of working together and underpinned by a set of core values, Bridgepoint has a well invested platform that provides a strong foundation for future growth. Bridgepoint has a differentiated and sustainable investment approach underpinned by a longstanding commitment to investing responsibly. Environmental, social and governance principles are part of Bridgepoint's DNA with a set of specific goals set and measured for every investment.

Track record of growth in the capital we manage

Total assets under management (AUM)

€32.9bn

(2020: €26.6bn)



1. Pro forma for the acquisition of EQT Credit

Bridgepoint
creates lasting sustainable positive impact

The Environment

Climate change is an investment risk, and an opportunity

Society

Diversity and Inclusion

Diverse groups make better decisions

Communities

Growing businesses benefit their communities

Governance

Well governed businesses perform better and are more resilient

Measurement

Effective measurement is the foundation of improved performance

Our year in numbers

Number of investment professionals

>170

Total operating income

£270.6m

(2020: £191.8m)

Underlying EBITDA

£113.9m

(+71.5%)

Underlying profit before tax

£90.5m

(2020: £52.6m)

Employees of portfolio companies

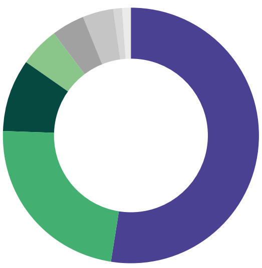
>300,000

Reported profit before tax

£62.6m

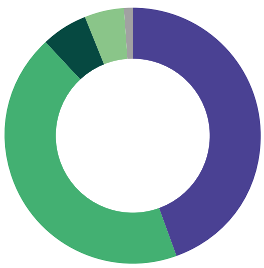
(2020: £48.5m)

Our fund investors
By type



Pension plans	52%
Asset manager	23%
Insurance	9%
Endowment & foundation	5%
Sovereign entity	4%
Corporate pension	4%
Family office	1%
Financial institution	1%

By location



Europe	45%
North America	44%
MEA	6%
APAC	5%
LatAM	<1%

Executive chairman's statement
William Jackson

Creating value

As an international fund management group, Bridgepoint aims to deliver compelling and sustainable returns for our fund investors and our shareholders.

Using the local insights we have in individual markets, along with the sector expertise and the deep industrial knowledge of our investment and credit teams, we identify, invest and support growth companies and work closely with management teams to build stronger, broader-based businesses with greatly enhanced long-term potential. This is what drives long-term returns for both our fund investors and consequently for shareholders in Bridgepoint itself. As I stated during our IPO, if Bridgepoint performs for its fund investors our shareholders will also do well.

Generating financial returns across our funds, however, is not the sum of our ambitions. We seek to create non-financial value too. Our duty to invest responsibly to achieve positive impacts on the environment and society lies at the heart of our ethos. It underscores everything we do. It is my longstanding view that financial and non-financial value endeavours are not mutually exclusive, instead, they are mutually reinforcing – businesses that adopt sustainable and inclusive practices across their operations and have diverse workforces are proven to perform better and, ultimately, deliver higher returns for shareholders. We work closely with our investee companies to achieve these outcomes and on occasions when we don't get things right we try again.

We are mindful, however, that, as a progressive investor, we must do as we say. In line with this, Bridgepoint is committed to a diverse and inclusive working environment both within the Group itself and its portfolio companies. We are a signatory to ILPA's 'Diversity in Action' initiative which aims to advance diversity, equality and inclusion, and we are actively involved in a range of other programmes including 'Level 20', which aims to promote gender diversity in the European private equity industry. Bridgepoint commits to initiatives such as the above because all of us are driven by a shared set of values and beliefs regarding how we should do business: performance-driven, thoughtful, straightforward.

These are fundamental to our professional and personal conduct. They help us to try and maintain the highest levels of corporate governance and apply the highest standards of professionalism across the Group.

These shared values have come to the fore during the last 24 months during a period of greater uncertainty than many of us have ever known. How we worked and lived changed completely. Like many, Bridgepoint's priority was to ensure that our people were safe, that the companies in which we are invested were properly supported and that we, as a group, played our part in helping the communities in which we operate. I am proud of how our people rallied together during such a disruptive period – the strong set of financial results reported here speaks for itself.

Continued growth in a challenging environment

In this our first Annual Report and Accounts to our new shareholders I'm pleased to report that Bridgepoint delivered strong performance in 2021 ahead of the expectations that we set when we sought to raise capital from new investors in July 2021. The Group performed consistently well over the course of the year as the economic recovery from Covid has gathered pace: increasing assets under management to €32.9 billion; deploying funds on new and follow-on investments; and returning €3.3 billion of capital to our equity and credit investors and the 30 million beneficiaries they represent.

Importantly the fund investment returns that we have generated across our funds in 2021 have also exceeded the expectations that we set at our Funds Annual meetings in 2020 by some measure. Indeed our most mature flagship Fund, Bridgepoint Europe V, saw an exceptional 87% increase in the value of its underlying unrealised assets during the year.

Our strong overall financial performance has enabled us to declare our first dividend in our debut year as a quoted company. This excellent set of results shows that our decision to list Bridgepoint on the London Stock Exchange, our landmark corporate event in 2021, did not distract us from our day-to-day operations. We took the decision to list so that we can continue to build our business from a position of strength as we have done over the last 20 years and especially since 2018, when we raised our first external capital which saw Dyal Capital become a shareholder. Back then we used the funds to finance the successful acquisition of EQT Credit and open new Bridgepoint Europe offices.

Similarly, whilst Bridgepoint remains "asset light" from a balance sheet perspective, the capital raised from the IPO strengthens our resources and provides us with a platform for future growth. This single event sets us further down the road to achieve our long-term ambitions of continuing to successfully build and develop our business.

We are delighted to welcome our new shareholders for this next stage in Bridgepoint's journey as we do our new PLC Board. We've already begun to benefit from valuable insights from our new Board members and this contribution will be further strengthened during the year ahead with our intention to add two further directors to the Board following an on going recruitment process. Importantly these new appointments will also increase our diversity at Board level in line with best practice.

An explanation of the alternative performance measures ("APMs") used by the Group, including underlying EBITDA, underlying FRE margin, underlying profit before tax and reported and underlying proforma earnings per share, is set out on pages 36 to 37 along with a reconciliation to the statutory measures.

Assets under management

€32.9bn

(+23.7%)

Revenues

£197.7m

(+33.0%)

Underlying EBITDA

£113.9m

(+71.5%)

Profit before tax

£62.6m

(+29.1%)

Underlying FRE margin

24.3%

(2020: 16.7%)

"…we also became a signatory to Initiative Climate International (iCI), recognising that climate change is having an adverse effect on all of us"

Delivering on our promises

Our focus over the last 12 months has been on driving returns for our fund investors and shareholders. The continued success of our funds and the resultant strong Group financial performance we are reporting today is testament to the full depth of business experience and professionalism of our team.

For the year ended 31 December 2021, Bridgepoint Group plc delivered underlying EBITDA and profits before tax of £113.9 million and £90.5 million respectively.

This translated into earnings per share of 7 pence, and reported profits of £62.6 million before tax and earnings per share of 10 pence (excluding exceptional items and amortisation of intangible assets). Assets under management also grew by 23.7% to €32.9 billion.

These results, which were in line or ahead of expectations, were driven by our two main strategies – private equity and private debt.

Private Equity

Over the course of the year under review, Bridgepoint's main private equity funds committed €1.9 billion to new investments, completed 72 add-on acquisitions, and returned €2.9 billion to our fund investors. This strong progress has continued during the first quarter of 2022.

During the year Bridgepoint Europe fund investments collectively generated 24% and 31% year-on-year average revenue and EBITDA growth – an indication of the underlying strength of our portfolio companies. Importantly, over 7,000 jobs were added by Bridgepoint portfolio companies during the year – an indication of the contribution middle market businesses make to both the economy and society.

Drilling down to the individual fund level, Bridgepoint Europe VI, our current flagship €5.8 billion buyout fund, committed €1.5 billion in 5 new investments and at the year-end had committed 88% of its primary capital, bringing the total number of investments to 16.

During 2021, Bridgepoint Europe V, a €4 billion fully invested fund completed or agreed the sale of 4 of its 16 investments at an average multiple of 19.0x, generating total gross proceeds of €4.4 billion from these assets.

Bridgepoint Development Capital ('BDC'), our lower mid-market business, also had a very strong year: BDC III completed it's final investment and the team successfully raised a successor fund – their largest to date – Bridgepoint Development Capital IV, a £1.6 billion fund, which completed 4 investments in the year.

Reflecting our continuing drive to invest responsibly, in 2021 we actively committed to aligning all our new private equity funds to Article 8 of the Sustainable Financial Disclosure Regulation ('SFDR'). As a result, our most recently launched Funds (Bridgepoint Europe VII and Bridgepoint Growth II) will be SFDR Article 8 aligned. The official journal of the European Union defines an Article 8 fund as one that 'promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.' During the year, we also became a signatory to Initiative Climat International (iCI), recognising that climate change is having an adverse effect on all of us.

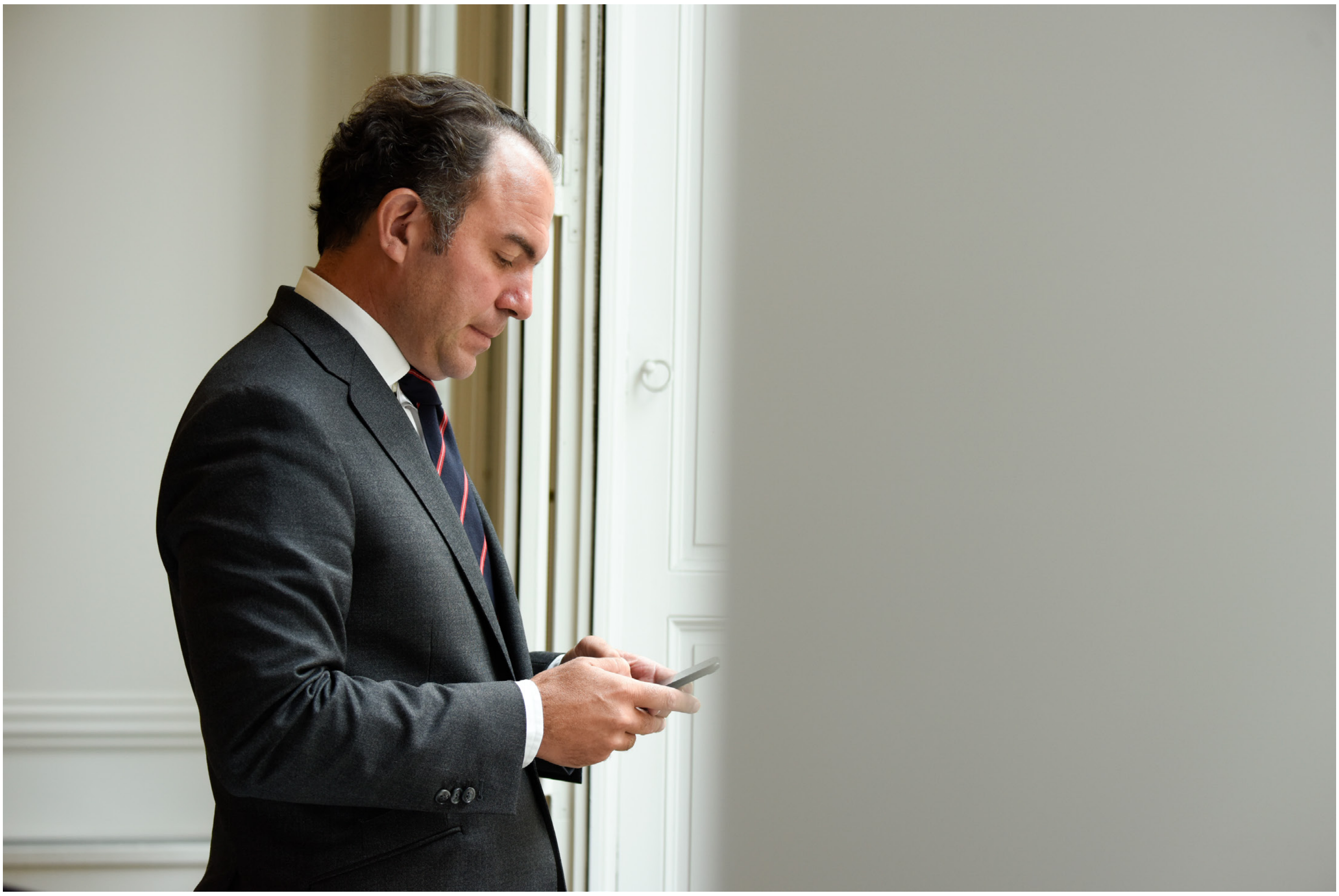
Private Debt

Bridgepoint's second core strategy, our private debt business known as Bridgepoint Credit, also enjoyed a strong year across the board. Our Direct Lending and Credit Opportunities fund invested €3.5 billion across 46 companies whilst our CLOs ('collateralised loan obligations') invested €0.7 billion across 96 companies.

During the year, Bridgepoint Credit also announced the pricing of its second and third European CLO funds, the €355 million Bridgepoint CLO 2 DAC ("Bridgepoint CLO 2") and €408 million Bridgepoint CLO 3 DAC ("Bridgepoint CLO 3"). In line with Bridgepoint's continued commitment to responsible investing, Bridgepoint CLO 2 and CLO 3 contains specific ESG eligibility criteria as well as an enhanced level of reporting transparency with respect to the ESG profile of the portfolio.

Capital Raising

As already noted, Bridgepoint continued to grow its AUM during 2021 with its main Direct Lending Fund, Bridgepoint Direct Lending III ("BDL III"), being launched during the middle of the year and Bridgepoint Europe VII ("BE VII") being launched towards the end of the year. Both fund raisings are making progress towards their targets despite busy capital raising markets and recent market volatility arising from the conflict in Ukraine. These fund raisings will continue during 2022 with Bridgepoint Credit now already committing capital from BDL III and our new flagship equity Fund, BE VII, expected to start committing capital by the end of the first half of 2022 in line with previous expectations.



> "Our people remain our greatest asset and, together with the platform we have gained following our IPO, I am confident in our ability to build on last year's achievements and at the same time to effect change."

The right kind of returns

Bridgepoint provides capital to companies to help them to grow. To achieve this, we look to support growth businesses that have the potential to flourish, through international expansion, operational improvement or acquisitions.

But it is no longer good enough to focus solely on financial returns. The climate crisis and the Covid-19 pandemic underscore the need for all of us to act in order to protect our environment and have a positive impact on society and, for Bridgepoint specifically, to ensure our partner businesses are governed according to high standards in order to foster success. Bridgepoint's capacity and reach to support great businesses gives us both the means and responsibility to act.

Taking a proactive approach to societal and environmental issues is not just a social responsibility; it is also a matter of good guardianship. Businesses that do good, grow both faster and sustainably. Our ambition is to create lasting, sustainable and positive impacts so that our investors, shareholders and employees are proud of how we generate returns.

It is imperative that we set an example and this year Bridgepoint Group plc became a carbon-neutral company. Recognising the broader role we can play, we also became a founding member of the Private Equity Sustainable Markets Initiative Task Force launched by HRH The Prince of Wales at the World Economic Forum 2020 ahead of COP26.

Outlook

We have all been shocked and hugely concerned by the conflict in Ukraine. I can confirm that we have no material direct exposure. We have no material portfolio assets in either country, nor do we have any Russian investors in our funds.

Bridgepoint's market focus, the private equity and credit markets, nevertheless remain attractive investment arenas, which are capable of delivering excellent returns as these last 24 months have shown.

Bridgepoint's prime geographic focus, Europe, continues to be the home of multiple world-leading domestic and exporting enterprises (accounting for one third of global exports) and supports a high-quality spectrum of growth businesses operating within areas that exhibit compelling sector and geographic growth prospects.

Bridgepoint's business focus, the alternative investment market, has expanded rapidly in recent years, with assets under management having grown by more than 50 per cent from 2015 to 2020. Importantly, growth is forecast to continue with private equity and private credit markets AUM expected to grow at a compound annual growth rate (CAGR) of 15.9% and 17.4% respectively between 2021 and 2026.

We recognise the opportunity before us. As our performance in 2021 shows, Bridgepoint's operational model and people demonstrated a capacity to absorb new business, continue to grow funds under management and to increase profitability. As a team we are all committed to delivering strong returns for our fund investors and shareholders and continuing to build our business efficiently and effectively and having a positive influence on the environment and communities around us. Our people remain our greatest asset and I thank all our stakeholders for their support in 2021. Together with the platform we have gained following our IPO, I am confident in our ability to continue to build on our achievements to date.

The Strategic Report, on pages 4 to 75 has been approved by the Board of Directors and is signed by:

William Jackson
Executive Chairman

As an international fund management group, Bridgepoint aims to deliver attractive and sustainable returns for our fund investors and our shareholders.

For the year ended 31 December 2021, Bridgepoint Group plc recorded profits of £62.6m before tax and earnings per share of 7 pence. Assets under management also grew by 23.7% to €32.9 billion.

Total AUM

€32.9bn

(2020: €26.6bn)

Total operating income

£270.6m

(2020: £191.8m)

“In 2021 we delivered strong investment performance for our investors in our equity and credit funds. This is good news because, as I stated at the time of our IPO, if we make sure Bridgepoint performs for its fund investors, our shareholders will also do well.”

Market

A highly attractive and growing industry: Private market asset management continues to grow rapidly as investors increase allocations to the asset class as a result of strong and consistent performance.

One of the leading middle market private markets firms in the world: Bridgepoint is the leader in middle market investing, with a global reach that leverages its strong pan-European footprint and track record of delivering returns to investors in Bridgepoint funds across multiple economic cycles over more than 30 years.

Bridgepoint is strongly placed to capitalise on forecast double-digit market growth in the alternative asset management market from 2020 to 2025 and to continue the Group's strategic diversification.

Asset management sector

The asset management sector has expanded rapidly, with global assets under management in the industry having grown by 50 per cent from 2015 to 2020. The aggregate amount of global assets under management held or managed by asset management companies in 2020 was estimated to be US$103.1 trillion. Further net inflows to the sector are likely to be driven by increased pools of wealth, ageing populations and mounting pension funding gaps.

Within the asset management sector, global assets under management in private markets are forecast to grow at a higher rate than global savings, with private equity and private credit expected to grow, from 2021 to 2026, at a CAGR of 15.9 per cent and 17.4 per cent, respectively, and total assets under management for alternatives (comprising private equity, private credit, real estate and infrastructure) expected to grow at a CAGR of 12.6 per cent over the same period.

Continued growth in Private Markets

Private market investments are an increasingly important asset class both for investors seeking returns and for asset management firms. In comparison to public markets, the nature of private markets investing is typically longer-term, with capital locked into funds for periods commonly ranging from eight to 10 years.

Preqin estimates that the assets under management of global private markets (excluding hedge funds and natural resources) will total US$17.5 trillion in 2026 compared to US$8.7 trillion today. We believe that this expected growth is supported by a number of the underlying trends outlined below.

- **Relative long-term outperformance of private markets versus public markets** – Research by Hamilton Lane indicates that private equity and private credit strategies have outperformed their equivalent public benchmarks in 19 of the past 20 years
- **Search for higher, differentiated returns** – as the gap between pension assets and liabilities continues to widen, pension funds have increased allocations to private markets in an attempt to meet long-term return obligations and given the generally higher returns relative to public markets, as outlined above
- **Increased allocations to private markets by institutional investors** – Almost 80 per cent of investors surveyed as part of Private Equity International's "LP Perspectives 2021 Study" were confident that private equity performance will either meet or exceed relevant benchmarks over the next 12 months. Close to 40 per cent of these investors believed that they were under-allocated to the asset class and the vast majority planned to either increase or maintain their commitments
- **Concentration of capital allocations towards fewer managers** – The growing allocation of funds to private equity has been accompanied by a concentration of these allocations towards more established firms. This trend is driven by multiple factors, including the ability of broader investment platforms to source attractive deals and deliver returns; increasing investor demands with respect to servicing and reporting and a desire from limited partners to manage fewer general partner relationships

The European Middle Market

Bridgepoint considers the middle market as comprising investments made by private asset managers in businesses with an enterprise value of typically up to €1.5 billion. The majority of these businesses are small to medium-sized companies, which represent a large part of the economy in many European countries. For example, there were approximately 24,500 companies in Europe with revenue between €200 million and €1.5 billion as of 15 June 2021.

The European middle market, in particular, offers a vast pool of investment opportunities for middle market investors. Europe is the world's single largest trading area, generating 24 per cent of global GDP, as well as largest exporting region with 39 per cent of the world's exports, and home to over 700 million people, as well as many world-leading businesses.

The middle market of the private equity sector has remained resilient even through periods of disruption and in Europe, investments in middle market businesses have consistently accounted for the majority of private equity deals from 2007 to 2021. From 2017 to 2021, there were over three times more European middle market transactions than European large-cap transactions.

Many of these businesses have outgrown their existing shareholder structure (often founders, smaller investors or larger conglomerates) and typically require significant investments in people, systems and infrastructure, giving asset management firms an opportunity to put the capital of their investors to work.

However, equity commitments for middle market businesses of between €150 million and €350 million are often too large for individual country funds and too small for firms that concentrate on larger buyouts, limiting competition in the space. The ability to create and then exploit a platform able to sustain growth over the long-term represents a barrier to less well-established investors, requiring proactive portfolio management and a sufficiently large and experienced investment team. Meanwhile, the Bridgepoint Growth and Bridgepoint Development Capital funds benefit from the scale of the wider Bridgepoint platform and the associated support teams to drive value creation, representing resources that are typically unavailable at smaller firms.

Read more on Bridgepoint's market position on page 18.

Increasing importance of ESG

ESG factors are becoming an increasingly important topic in the private asset management industry. Although ESG has been growing in significance over the past five years for both the public and private markets, this trend has accelerated rapidly in recent years within the private asset management industry, with ESG becoming an ever-increasingly important consideration for both fund managers and investors.

You can find more on Bridgepoint's approach to ESG on pages 50 to 65.

Business Model

Bridgepoint is a global leader in middle market private assets investing. Operating in a fast-growing market, the Group has a 30-year track record of delivering compelling returns with an attractive risk profile to a blue-chip base of over 300 investors globally.

We raise capital from a large and diverse client base

We use Bridgepoint's differentiated market position to create strong consistent returns on capital deployed

We invest in middle market private assets

We receive fee income for managing clients' investments

We raise capital from, and invest on behalf of, a long-standing and growing blue-chip client base, which includes many of the world's leading investors, and is diverse across regions, with particular strength in North America. Indeed, the Group's global base of more than 300 long-term institutional investors includes many of the top 20 U.S. state pension funds (by assets under management), and across the investor base, the average relationship length with Bridgepoint is 14 years.

A diverse client base

In terms of the institutions that invest in our funds, the top three categories are public pension plans (52%), asset managers (23%) and insurance companies (9%). The remaining 16% is split between endowments, foundations, sovereign entities, family offices, corporate pensions and financial institutions.

Regionally, Europe, at 45%, is our largest source of capital followed by North America (44%), the Middle East (6%), Asia Pacific (5%) and Latin America (<1%).

Capital raised from our client base is invested in our private equity and private credit strategies to capture the strong growth potential of the middle market segment.

As our 30-year track record demonstrates, strong returns attract new investors to our funds, result in more capital raised for deployment in middle market opportunities and lead to further growth in total assets under management.

In addition to clients investments our balance sheet capital is invested alongside our funds and is both an enabler and accelerator of the growth of our business.

Throughout Bridgepoint's history, the Bridgepoint private equity funds have made investments in over 400 businesses and the Bridgepoint private credit funds have provided financing to over 250 businesses.

We offer institutional investors a range of strategies to invest for the long term in the European middle market

Through all of our activities we take a responsible approach, looking to support and build sustainable and stable growth businesses that are beneficial to society

A 30-year track record of delivering compelling returns

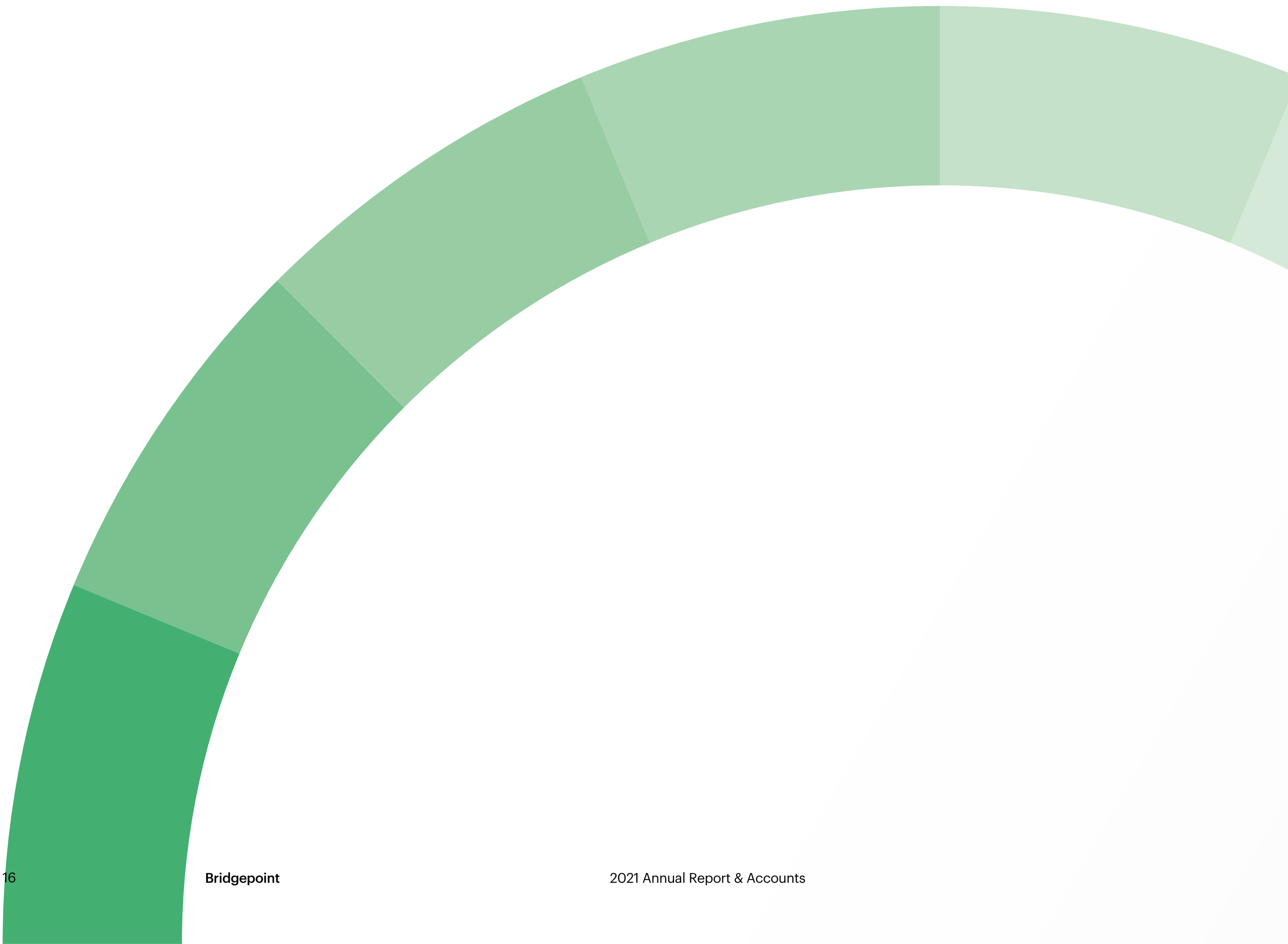
How we create value

Bridgepoint delivers returns through a differentiated and proven investment approach, consistently applied across all investment strategies.

Differentiated and sustainable approach delivering high-quality returns

The Bridgepoint funds' investment approach has delivered strong and consistent returns. At 31 December 2021, all Bridgepoint Europe, Bridgepoint Development Capital and Bridgepoint Credit Opportunities funds raised after the global financial crisis of 2008 to 2009 are first or second quartile performers and Bridgepoint Direct Lending funds (not subject to equivalent industry benchmarks) continue to deliver against their target returns with no realised losses.

Bridgepoint has delivered these high-quality returns through careful portfolio construction, sensible use of leverage and asset selection focused on high margin, cash generative businesses, contributing to low realised loss ratios. These returns have been delivered by the application of the Group's differentiated and proven investment approach, consistently applied across all investment strategies. The key principles of this differentiated approach are summarised over the following pages.



1

Mid-market focus
Typically up to €1.5bn enterprise value

2

Local presence
Over 170 investment professionals across 10 offices globally

3

Sector specialists
High-quality companies with sustainable growth potential

4

Differentiated sourcing
Focus on bilateral deals and limited auctions

5

High quality risk adjusted returns
Compelling absolute returns with high quality risk-return profile

6

Bridgepoint toolbox
Hands-on value creation e.g. buy-and-build focus and operational improvement

7

Responsible Investment
Sustainable business practices to make a positive impact

8

Data driven
Mining data to guide investment decisions

1 A leader in middle market growth investing

Bridgepoint believes the middle market is a highly attractive investment proposition for clients given the large number of possible investment opportunities, and the significant potential for hands-on value creation, including through operational improvement and add-on acquisitions.

As a leader in middle market investing, Bridgepoint offers investors a differentiated approach arising from its global reach and ability to deploy capital across multiple middle market strategies.

Read more about the middle market on page 12

Attractions of the middle market for clients

- **Scale of opportunity**
  Contributes €1 trillion to the European economy
- **Number of opportunities**
  4.5x more transactions in the middle market than the large buyout market since the beginning of Bridgepoint Europe IV
- **Ownership**
  Often outgrowing founder or smaller investor base
- **Capital**
  Firms require significant investment in people, systems and infrastructure
- **Expertise**
  Greater scope to drive step-change in growth
- **Consolidation**
  Substantial opportunity to consolidate fragmented markets via add-on acquisitions

2 Evolving and well-invested office network

The Group has one of the best invested private market platforms directed at growth investing.

The local presence provided by the Group's 10 offices is untypical of middle market firms and drives origination, value creation and fund investor returns. This wide network provides Bridgepoint with "on the ground" local expertise across Europe, which works in conjunction with sector teams to produce material competitive advantage.

See a map of our office network on page 4

3 Deep and long-standing sector focus

Both private equity and credit teams are organised into sector teams which operate on an international group-wide basis. The investment strategy focuses on long-term thematic trends which are constantly evolving. For example, within Bridgepoint's private equity sector, this was illustrated in healthcare by the migration from investing in services businesses to medical technology and pharma.

This thematic approach in combination with industrial relationships developed over years and supported by Bridgepoint's local office presence contribute to Bridgepoint's strength in proprietary pre-emptive deal sourcing.

Knowledge Sharing

Business Services
- LGC
- element
- HKA
- matrixscm
- QUALITEST

Media & Sports Rights
- infront
- DORNA
- Nordic Cinema Group
- PEI
- DeHavilland – Definitive political intelligence

Consumer
- PRET
- Burger King
- Vitamin Well
- Seraphine
- bee2link

Financial Services
- PRIMONIAL
- Trustly
- Reassured
- CALYPSO
- eFront

Healthcare
- Oasis dental care
- Cobalt
- PHLEXGLOBAL – Raise your standard
- ORIS DENTAL
- Prescient

Advanced Industrials
- DMC POWER
- miller homes
- ROVENSA – Well balanced agriculture
- miya
- HUMANETICS

Technology

Bridgepoint's private equity business typically focuses on primary transactions and has been successful in sourcing assets in bilateral deals or limited auctions, avoiding full auction processes. Bridgepoint's strategic origination capabilities allow it to make its investments at competitive entry valuations, with many investments being made at the lower end of long-term valuation ranges of peers with similar geographic and sector exposures.

4 Differentiated sourcing and origination

5 Disciplined asset selection and portfolio construction

Core to Bridgepoint's investment performance and its strong positioning with investors is a focus on fundamental metrics for each new investment and careful portfolio construction to generate attractive risk adjusted returns. Potential targets are selected based on criteria such as:

- Market leadership
- ESG
- Exceptional revenue visibility
- High EBITDA margins
- Strong cash conversion
- Platforms for consolidation at accretive valuations
- Repeatable business models
- International expansion potential
- Attractive relative value
- Clear sector thematics & high growth niches

Every Bridgepoint fund is deliberately diversified by vintage year, sector, geography and number of investments, with, for example, typically no asset accounting for greater than 10 per cent of a fund's capital. Combined with prudent opening capital structures and a sensible mix of value and growth-themed investing, this diversification strategy leads to funds with a consistent performance profile, high cash generation, average operating margins and revenue visibility, low standard deviation of returns and low loss ratios.

6 Hands-on value creation philosophy

Bridgepoint drives value from investment to exit through a toolbox of strategic and operational improvement measures. This typically includes the improvement of systems, organic growth through new product launches or international expansion and the optimisation of costs. Bridgepoint also has a strong focus on delivering value-accretive add-on acquisitions for portfolio companies across its private equity strategies. For example, Bridgepoint Europe V portfolio companies have completed 72 add-on acquisitions as of 31 December 2021.

7 Responsible investing

Bridgepoint has embedded ESG criteria across its investment process and portfolio management. We are hands-on in driving businesses' ESG performance and aim for constant improvement. Bridgepoint has an institutionalised ESG governance framework that includes an ESG committee and an in-house ESG team. Specific ESG key performance indicators are reported by portfolio companies on a quarterly basis and portfolio companies are expected to meet the criteria set out below:

- **Create New Employment**
  Approximately 60,000 employees in Bridgepoint PE fund companies and 10 per cent annual employee growth in employees
- **Reduce Environmental Impact**
  Portfolio-wide review: aim to reduce energy consumption and cut carbon emissions
- **Promote Diversity and Inclusivity**
  All of Bridgepoint Europe VI's companies have incorporated diversity, equity and inclusion into their HR policies
- **Engage with Local Communities**
  Portfolio companies regularly engage in charitable and volunteering initiatives
- **Contribute to Local Economies**
  All portfolio companies are expected to be fair tax payers
- **Ensure Fair Pay and Focus on Welfare**
  Bridgepoint's policies request portfolio companies to comply with wage regulations and to aim to improve working conditions

For more detail on ESG, please see pages 50 to 65

The Group believes the breadth of data it holds from more than 30 years of investing and a long track record of successful fundraisings is an additional source of potential competitive advantage. Performance information from more than 300 current and historic private equity investments, provide the Group with a deep and continuously growing track record of nearly five million data points of past performance to support decision making.

We expect to continue to develop our capabilities in this respect, including by adding additional external data and building more efficient tools for capturing data at the portfolio company level.

8 Data-driven approach

Bridgepoint is strongly positioned to continue to deliver significant growth in three ways:

The continued organic scaling of existing strategies, product strategy extension and adding a third vertical over time through acquisition-led expansion.

The three pillars of our strategy are focused on growing and diversifying Bridgepoint's business and creating value for clients and shareholders.

Our key strategic pillars

Activity	Opportunity
1 **Scaling of existing strategies** Continue the track record of strong AUM growth established over the past two decades through scaling existing Private Equity and Credit strategies	Exploit the combination of continued market growth and Bridgepoint's strong position as the leader in the middle market to continue scaling existing strategies
2 **New products within existing investment strategies** Continue to launch new credit and equity products within existing investment strategies	Utilise excess origination, the strength of our sector knowledge and other competitive advantages (see business model section on pages 14 to 23) to launch funds that complement our core strategies
3 **Building new investment strategies** Continue to successfully acquire and integrate new businesses in other private market asset classes	Enhance our middle market positioning and further deepen market insights without materially expanding Bridgepoint's central platform cost base.

The three pillars of our strategy are focused on growing and diversifying Bridgepoint's business and creating value for clients and shareholders.

1

Delivering on our strategy

Scaling of existing strategies

The middle market of the private markets industry has consistently expanded as private markets have grown, with the enterprise value range of targeted assets moving up in size as larger buyout firms have continued to shift their focus to higher enterprise value businesses. This is illustrated by the evolving definition of the middle market. Bridgepoint currently defines the market as being comprised of businesses with an enterprise value of typically up to €1.5 billion. This has increased in each successive fund raise from 2000 to 2020 as private markets have grown. For example, the size of the middle market was defined as capturing businesses with an enterprise value of typically up to €600 million and €1 billion at the times of raising Bridgepoint Europe V and Bridgepoint Europe VI, respectively. As a result of the growth in private markets and the ability to raise capital to support growth across the life cycle of a company, companies are on average staying private for longer, further adding to the market opportunity.

The combination of market growth and Bridgepoint's position as the leader in the middle market mean the group is well positioned to scale its existing strategies over time.

Incremental to this is the potential for each of the Group's core products to expand irrespective of market growth:

- **Bridgepoint Europe:** scope to deepen its presence in existing geographies, for example in the UK, where activity levels had been intentionally lower following Brexit, and in Germany, where the Group has significantly expanded the investment team. In parallel, origination has been expanded into the United States, focusing on businesses with European reach or potential.
- **Bridgepoint Development Capital:** similarly placed to deepen scale in existing geographies. This is evidenced by the size of more country specific funds in its markets even before further expanding its geographic reach in Europe, leveraging the Group's office footprint and the existing strength of Bridgepoint's business across Europe to grow beyond its current focus on the UK, France and the Nordics.
- **Bridgepoint Credit:** further geographic expansion is underway, with launches in the Netherlands in summer 2021 and in Spain in 2022, alongside continuing efforts to build the track record of its Bridgepoint Credit Opportunities strategy in the United States.

A track record of expansion

2009 BDC
Hermes & Edmund de Rothschild Acquisitions
Takes Bridgepoint's institutionalised approach and Platform to the SMid cap market

2016
Bridgepoint Growth
Third pillar of Bridgepoint PE

2016
US Presence
Develops Bridgepoint's global presence, increases deployment capability, therefore potential fund growth and reinforces existing activities in North America

2018
Dyal minority transaction
Provided capital for accelerated growth

2016, 2020
Bridgepoint Credit (organic, EQT acquisition)
Creates material presence in the second largest alternative asset class, providing diversity, scale and growth potential

2021
IPO
Provides capital for accelerated growth and value to Bridgepoint equity in potential acquisitions

Our key strategic pillars

Activity	Opportunity
1 **Scaling of existing strategies** Continue the track record of strong AUM growth established over the past two decades through scaling existing Private Equity and Credit strategies	Exploit the combination of continued market growth and Bridgepoint's strong position as the leader in the middle market to continue scaling existing strategies
2 **New products within existing investment strategies** Continue to launch new credit and equity products within existing investment strategies	Utilise excess origination, the strength of our sector knowledge and other competitive advantages (see business model section on pages 14 to 23) to launch funds that complement our core strategies
3 **Building new investment strategies** Continue to successfully acquire and integrate new businesses in other private market asset classes	Enhance our middle market positioning and further deepen market insights without materially expanding Bridgepoint's central platform cost base.

Delivering on our strategy

2

New products within existing investment strategies

Potential exists for new equity and credit products, focusing on those that would complement the current offering. Possible avenues include broadening the Bridgepoint Private Credit offering to adjacent verticals, such as real estate debt.

Key to any such expansion would be ensuring excellent origination and alignment with Bridgepoint's expertise, competitive advantage and values.

Bridgepoint's ability to grow organically was demonstrated by the greenfield launch of Bridgepoint private credit in 2016 (prior to the acceleration of the strategy via the acquisition of EQT Credit in 2020), comprising successfully building an investment team, raising capital and establishing a track record and further by the development of the Senior Debt strategy directly following the 2020 EQT acquisition.

Bridgepoint has also successfully added multiple complementary ancillary funds within its existing investment strategies. This is illustrated by the sizeable continuation funds raised for flagship Bridgepoint Europe funds and Bridgepoint Development Capital funds which drive further value creation in the assets transferred and create additional value for fund investors. The Group sees further accretive growth potential via this channel.

The Directors believe that the Group can continue to significantly scale its strategies organically in the future.

Our key strategic pillars

Activity	Opportunity
1 **Scaling of existing strategies** Continue the track record of strong AUM growth established over the past two decades through scaling existing Private Equity and Credit strategies	Exploit the combination of continued market growth and Bridgepoint's strong position as the leader in the middle market to continue scaling existing strategies
2 **New products within existing investment strategies** Continue to launch new credit and equity products within existing investment strategies	Utilise excess origination, the strength of our sector knowledge and other competitive advantages (see business model section on pages 14 to 23) to launch funds that complement our core strategies
3 **Building new investment strategies** Continue to successfully acquire and integrate new businesses in other private market asset classes	Enhance our middle market positioning and further deepen market insights without materially expanding Bridgepoint's central platform cost base.

Delivering on our strategy

3

New investment strategies

There is scope to significantly enhance Bridgepoint's middle market positioning and further deepen its market insights and platform synergies with the addition of a third core product strategy alongside private equity and private credit. It is expected that this could be delivered without materially expanding Bridgepoint's central and platform cost bases.

The Group has a strong track record of successfully acquiring and integrating new businesses alongside organic development in both current verticals. In 2009, the direct investment platform of Hermes Private Equity was acquired, forming the original base for Bridgepoint Development Capital. 2014 saw the acquisition of the management company for two Edmond de Rothschild lower middle market funds in France. In 2020, the acquisition of EQT Credit accelerated Bridgepoint Credit's growth materially adding multiple new strategies, with the business being integrated into Bridgepoint without any material loss of clients, assets or investment professionals.

In the medium term, Bridgepoint sees scope for similar acquisitions within other private markets asset classes, such as real estate or infrastructure. Also under consideration are other areas where the Group's well-invested operating platform, capital raising capabilities and reputation would enable acquired businesses to more successfully scale their operations than as a standalone entity.

All potential opportunities are assessed within a structured and consistent framework, that applies the Group's strong investment discipline and rigor, and focuses on delivering sustainable returns for shareholders.

Both Real Estate and Infrastructure offer the opportunity to create a third leg of global scale and the Group aims to build out one of these strategies to become its third core asset class in the medium-term.

Key gatekeeping criteria to determine strategic growth opportunities

- Returns for shareholders
- Returns for fund investors
- Competitive advantage
- Complementary to existing strategies
- Run by a standalone team/resource efficiency
- Longevity and scalability
- Alignment with Bridgepoint brand

Stakeholder engagement

How Bridgepoint engages with its stakeholders and Section 172(1) statement

The Board has identified its key stakeholders as colleagues, fund investors, shareholders, employees, portfolio companies, the community, regulators, and suppliers.

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires the Directors to have regard, amongst other matters, to:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Corporate Governance Code requires the Board to understand the views of the Company's key stakeholders and describe how their interests, and the matters set out in section 172 of the Companies Act 2006, have been considered by the Board in discussions and decision-making.

The key considerations in respect of these stakeholders and the Board's approach to engaging with them are explained below.

Stakeholder	Key considerations	How key stakeholders are engaged
Colleagues	Bridgepoint is a people business. Its employees are integral to the continued success of the Group, and therefore the Group's retention and motivation of employees is key.	The Board actively engages with colleagues through a variety of channels, including town hall briefings, videos, team meetings and conferences. On an annual basis, the Group conducts an employee engagement survey to obtain feedback from employees. Members of the Board meet with various members of senior management, to enable them to continue to build relationships with the senior management team. A designated non-executive director (Angeles Garcia-Poveda) is responsible for gathering employee feedback. All-employee share awards were made in connection with the IPO, to reward employees' contributions to the business and to further align their interests with those of the Group. The Group continuously invests in its people with internal career development initiatives, such as the Bridgepoint Core Training Programme, the International Associate Programme, new Partner coaching, international and cross-function rotations, and mutual mentoring programmes. The Bridgepoint Core Training Programme offers all Bridgepoint employees the opportunity to develop their personal and professional skills through both internal and external training. In addition to professional development, colleague wellbeing is a core focus with employee support programmes, a mental resilience speaker series and an annual wellness allowance.
Fund investors	Fund investors are a central focus of the Group's business. They provide the capital which the Group invests as part of its investment management activities and to whom the Group owes regulatory duties.	The Group has a dedicated investor relations function, which manages the Group's long-standing relationships with leading fund investors and seeks to develop new relationships with prospective clients. The Board has looked to strengthen its understanding of key fund investor relationships during the year through discussions with members of the investor relations team. Fund investors receive regular updates through calls, meetings and various forms of written reports which focus on the provision of high-quality and timely information and data.
Shareholders	Shareholders provide the Group's permanent capital. A strong relationship with shareholders is essential for the long-term success of the Group.	The Executive Directors engaged extensively with investors during the Company's IPO, including existing and new shareholders. Members of the Board regularly engage with shareholders of the Company, and encourage feedback as part of this engagement process. This helps the Board to understand the, at times, conflicting interests of different shareholders, and to make decisions in a way that treats members fairly. The Board will engage with shareholders at the AGM, which will give shareholders the opportunity to ask questions and engage with the Board. During the year, a half-year update was provided to shareholders, and management held a webcast at the same time to answer questions from analysts and investors.

Stakeholder engagement continued

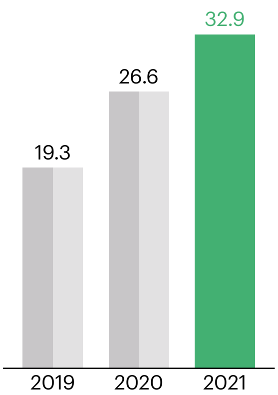
Stakeholder	Key considerations	How key stakeholders are engaged
Portfolio companies	The companies in which the Group invests are the source of returns to its shareholders and fund investors. Employing over 80,000 people, portfolio companies have a significant role in the wider community.	The Group is focused on constant improvement of the portfolio companies of the Bridgepoint funds, both in financial and non-financial terms, and the building of sustainable businesses. Bridgepoint integrates ESG criteria in its investment approach and works with the management teams of portfolio companies to create value. For more information on ESG see pages 50 to 66. The principal engagement with portfolio companies is through the Group's investment teams. One or more of the Group's investment professionals are usually appointed as directors of each portfolio company. Engagement with portfolio companies takes place both formally at the portfolio company board level and informally by investment teams on an ongoing basis.
Community	The Group recognises the responsibility it has to wider society and is committed to contributing positively to the communities in which it operates.	The Group has a long history of charitable activity. During 2021, the Group, including the Bridgepoint Charitable Trust and the Hardship Fund, made charitable donations of over £650,000. The Board actively encourages, supports and monitors progress on initiatives that it believes will have a positive impact on the environment and communities in which the Group operates.
Regulators	Regulators provide key oversight in respect of how the Group operates its business. The interests of fund investors are served by Bridgepoint engaging constructively with regulators.	The Group contributes to industry bodies such as the British Private Equity & Venture Capital Association and through these and other channels the Group participates in regulator consultations and provides other input.
Suppliers	Good relations with suppliers are important to the Group's day-to-day functioning.	The Group regularly engages with key suppliers to ensure that each party understands the requirements of the other. The Group ensures appropriate due diligence is undertaken in respect of third-party service providers prior to appointment, and appropriate monitoring and oversight of appointed third-party service providers is undertaken on a periodic basis.

The Board's approach during 2021 to the matters set out in section 172 of the Companies Act 2006 are set out below.

Relevant consideration under section 172(1) of the Companies Act 2006	The Board's approach in 2021
(a) Long-term consequences of decisions	The Board maintains oversight of the Group's performance, and reserves to itself specific matters for approval, including overall commercial strategy and the business plan of the Group. This allows the Board to ensure that longer term considerations are taken into account. The Board approved the Group's strategy, which is set out in the Prospectus and at pages 24 to 29 of this report, and the Board spends considerable time discussing the long-term strategic direction of the Group. The Board approved the Company's application for admission of its ordinary shares to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, to support the Group's strategy. The Board recognised that a listing would result in greater costs and scrutiny. However, there were significant benefits associated with a listing such as the provision of capital to support growth, the strategic flexibility achieved (including with respect to potential M&A opportunities), and the enhancement of the Group's standing as a trusted counterparty.
(b) Interests of employees	The Board approved an all-employee share award in connection with the IPO. The Board designated Angeles Garcia-Poveda as the non-executive director responsible for gathering workforce feedback. The Board recognises the importance of employee engagement and diversity, equity and inclusion, and has incorporated them as measures of Executive Director performance.
(c) Fostering business relationships with suppliers, customers and others	The Board has looked to strengthen its understanding of key fund investor relationships during the year through discussions with members of the investor relations team. The Board was and continues to be kept regularly updated as to the progress of discussions with investors in connection with the raising of new funds. The Board considered and approved the Group's anti-corruption policy and anti-financial crime policy. The Group ensures appropriate monitoring and oversight of appointed third-party service providers occurs on a periodic basis. As part of this process, feedback from third parties on matters of concern to them is encouraged.
(d) Impact of operations on the community and the environment	The Board actively encourages, supports and monitors progress on initiatives that it believes will have a positive impact on the environment and communities in which the Group operates. In 2021 Bridgepoint became carbon neutral and continued drive DEI initiatives at both the Group and portfolio company levels.
(e) Desirability of maintaining a reputation for high standards of business conduct	Ahead of the IPO, the Board established a comprehensive corporate governance framework, which is summarised at pages 82 to 84. The Board has pursued compliance with substantially all of the Corporate Governance Code following the IPO. The Board has approved a range of policies and procedures which promote corporate responsibility and ethical behaviour. Prior to completion of the IPO, the Company's external advisers provided all Directors with training in respect of their legal and governance duties, responsibilities and obligations.
(f) The need to act fairly as between members of the Company	Executive directors spent considerable time engaging with the Group's new shareholders during the course of the IPO. Members of the Board regularly engage with shareholders of the Company, and encourage feedback as part of this engagement process. This engagement process helps the Board to understand the sometimes conflicting interests of different shareholders, and to make decisions in a way that treat members fairly.

KPIs: tracking our performance

Total AUM (€bn)



€32.9bn

Definition

See page 37 for a detailed definition

Link to strategy

All three pillars of our strategy aim to grow AUM (see page 24)

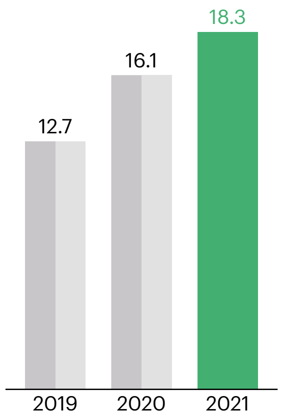
Remuneration linkage

Links to 'capital raised' element of the annual bonus plan

Description

The total value of assets held in the Group's funds plus the value of capital which has been committed but not yet drawn

Fee Paying AUM (€bn)



€18.3bn

Definition

See page 37 for a detailed definition

Link to strategy

All three pillars of our strategy aim to grow AUM (see page 24)

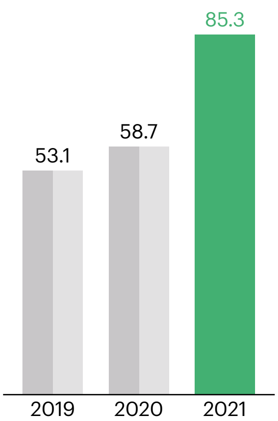
Remuneration linkage

Links to 'capital deployed' element of the annual bonus plan

Description

The amount of capital held in funds, excluding CLOs, which the Group manages on behalf of investors and on which it charges fees

EBITDA (£m)



£85.3m

Definition

See page 36 for a detailed definition

Link to strategy

All three pillars of our strategy aim to grow EBITDA (see page 24)

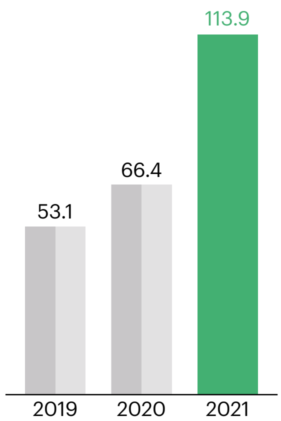
Remuneration linkage

Links to the 'EBITDA' element of the annual bonus plan

Description

A measure of profitability prior to depreciation of property leases, amortisation of intangible assets, the cost of financing and taxation

Underlying EBITDA (£m)



£113.9m

Definition

See page 36 for a detailed definition

Link to strategy

All three pillars of our strategy aim to grow EBITDA (see page 24)

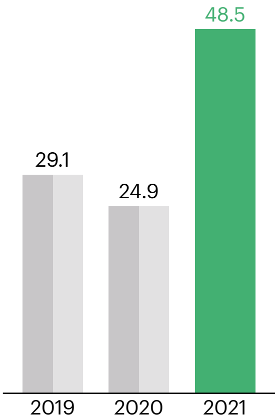
Remuneration linkage

Links to the 'EBITDA' element of the annual bonus plan

Description

EBITDA excluding expenses related to the IPO and the acquisition of the EQT Credit business which were not incurred in the normal course of business and are not expected to reoccur

Underlying FRE (£m)



£48.5m

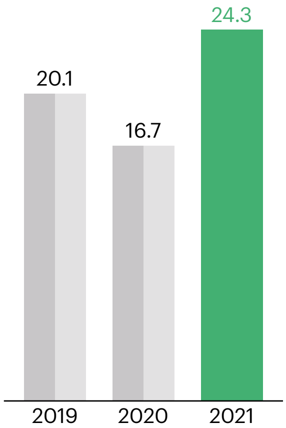
Definition

See page 36 for definition

Description

Fee Related Earnings (FRE) is a measure of underlying profitability, excluding investment income

Underlying FRE margin (%)



24.3%

Definition

See page 36 for definition

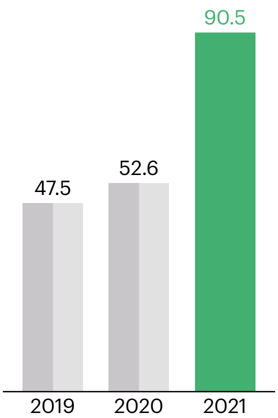
Target

45-50% in the longer term

Description

Underlying FRE margin is a measure of underlying profitability, excluding investment income

Underlying profit before tax (£m)



£90.5m

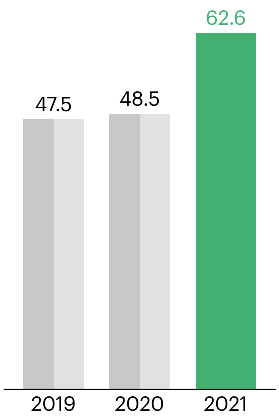
Definition

See page 37 for definition

Description

A measure of profit after expenses, depreciation and amortisation, and financing, before tax, but excluding exceptional items and amortisation of intangibles

Profit before tax (£m)



£62.6m

Definition

Profit for the year attributable to equity shareholders prior to taxation

Description

A measure of statutory profit after expenses, depreciation and amortisation and financing but before taxation

Alternative Performance Measures (APMs)

These full-year results include several measures which are not defined or recognised under IFRS ("International Financial Reporting Standards"), including financial and operating measures relating to the Group such as EBITDA, Underlying EBITDA, Underlying EBITDA Margin, Underlying PBT, Underlying FRE, Underlying FRE Margin, Total AUM and AUM, all of which the Group considers to be alternative performance measures ("APMs"). These are reconciled to the statutory results in the table below.

These APMs and KPIs are used by the Board and management to analyse the business and financial performance, track the Group's progress and help develop long-term strategic plans. These APMs are presented to provide additional information to investors and enhance their understanding of the Group's results and operations. Furthermore, the Board believes that these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. However, as these measures are not determined in accordance with IFRS or any generally accepted accounting standards, and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools. In particular, there are no generally accepted principles governing the calculation of these measures and the criteria on which these measures are based can vary from company to company, which means that other companies may define and calculate such measures differently from the Group.

APMs should not be considered in isolation and investors should not consider such information as alternatives to total operating income, profit/(loss) before tax or cash flows from operating activities calculated in accordance with IFRS, as indications of operating performance or as measures of the Group's profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Annual Report and Accounts.

EBITDA

Earnings before interest, taxes, depreciation and amortisation. It is calculated by reference to total operating income and deducting from it, or adding to it, as applicable, personnel expenses and other expenses as well as foreign exchange gains/(losses).

Underlying EBITDA

Calculated by excluding exceptional items from EBITDA. Exceptional items are items of income or expense that are material by size and/or nature, are not considered to be incurred in the normal course of business and are not expected to reoccur. Examples include costs directly resulting from substantial corporate business acquisitions or capital raising for the Group.

A breakdown is included within note 8 of the financial statements, on page 143. Underlying EBITDA for 2020 has been updated from the numbers included within the Company's prospectus to exclude additional cost items of £0.3m, as explained in note 1 of the financial statements under the heading, 'Changes to comparatives', on page 126.

Underlying EBITDA	2021 £m	2020 £m
EBITDA	85.3	58.7
Add back: exceptional items	28.6	7.7
Underlying EBITDA	113.9	66.4

Underlying EBITDA Margin

Underlying EBITDA as a percentage of total operating income.

Underlying FRE

Underlying EBITDA less carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits. Underlying FRE for 2020 has been updated from the numbers included within the Company's prospectus to exclude investment linked bonuses of £0.8m, in line with the revised definition of the APM.

Underlying FRE	2021 £m	2020 £m
Underlying EBITDA	113.9	66.4
Less: carried interest and income from fair value remeasurement of investments	(71.2)	(42.3)
Add back: investment linked bonuses	5.8	0.8
Underlying FRE	48.5	24.9

Underlying FRE Margin

Underlying FRE as a percentage of total operating income, excluding carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits.

Underlying operating profit	Calculated by excluding exceptional items and the amortisation of intangible assets from within operating profit.

Underlying operating profit	2021 £m	2020 £m
Operating profit	**70.3**	49.9
Add back: exceptional items within EBITDA	**28.6**	7.7
Add back: amortisation of intangible assets	**3.1**	0.6
Total underlying operating profit	**102.0**	58.2

Underlying operating profit margin	Underlying operating profit as a percentage of total operating income.
Underlying profit before tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before income tax.

Underlying profit before tax	2021 £m	2020 £m
Profit before tax	**62.6**	48.5
Add back: exceptional items within EBITDA	**28.6**	7.7
Add back: amortisation of intangible assets	**3.1**	0.6
Less: exceptional net finance income	**(3.8)**	(4.2)
Total underlying profit before tax	**90.5**	52.6

Underlying profit before tax margin	Underlying operating profit as a percentage of total operating income.
Underlying profit after tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax.
Underlying profit after tax margin	Underlying operating profit as a percentage of total operating income.
Underlying pro forma basic and diluted earnings per share	Calculated by dividing underlying profit after tax gross of non-controlling interests by the number of shares in issue after the IPO.

Underlying pro forma basic and diluted EPS	2021 £m	2020 £m
Profit after tax	**57.8**	47.7
Add back: exceptional items within EBITDA	**28.6**	7.7
Add back: amortisation of intangible assets	**3.1**	0.6
Less: exceptional net finance income	**(3.8)**	(4.2)
Tax adjusted	**0.0**	0.0
Total underlying profit after tax	**85.7**	51.8
Pro forma number of shares	**823.3**	823.3
Underlying pro forma basic and diluted EPS (£)	**0.10**	0.06

Fee Paying AUM	Assets under management, excluding CLOs, upon which management fees are charged by the Group. For all funds with private equity strategies and the Bridgepoint Credit Opportunities funds I to III, Fee Paying AUM is either based on total commitments (during the commitment period) or on Net Invested Capital (normally during the post-commitment period). For the Bridgepoint Direct Lending funds and Bridgepoint Syndicated Debt funds as well as expected future Bridgepoint Credit Opportunities funds, Fee Paying AUM is based on Net Invested Capital throughout the life of the fund.
Total AUM	The total value of unrealised assets as of the relevant date (as determined pursuant to the latest quarterly or semi-annual valuation for each Bridgepoint Fund conducted by the Group) plus undrawn commitments managed by the Group. The valuations for Total AUM come from the Group's valuations of the investments of the Bridgepoint funds. The Group values all investments of the Bridgepoint funds at least twice a year, but in most cases four times a year. Each investment undergoes the same detailed valuation process, in accordance with the Group's valuation policies and in line with fund requirements. Completed valuations are presented and discussed at the relevant Bridgepoint valuation committee and are audited at year end by the relevant fund auditor.

CFO Statement

Adam Jones

Group Chief Financial Officer & COO

Group financial performance in 2021 benefited from a first full year's contribution from the EQT Credit business and also from increased investment profits as a result of strong fund returns. Primary capital raised in the IPO allowed the Group to pay down external borrowing, leaving the balance sheet with a net cash position at year end and well positioned to support the execution of the Group's strategy.

Group financial performance in 2021 was underpinned by 23.7 per cent growth in Total AUM to reach €32.9 billion at year end.

The increase in Total AUM in turn drove an increase in management fee income and the operational leverage which is a feature of our business model was clearly demonstrated by 94.8 per cent growth in underlying FRE.

Underlying profit before tax of £90.5 million was £37.9 million or 72.1 per cent higher than the previous year, driven by a full year of contribution from the acquired EQT Credit business and increased investment profits.

Reported profit after tax of £57.8 million was £10.1 million or 21.2 per cent higher than the previous year due to increased underlying profits, partially offset by £27.9 million of exceptional items which related predominately to the IPO and amortisation of intangibles.

Proceeds from issuance of new shares in the IPO of £300 million, before costs, allowed the Group to pay down its borrowings under the Group's Revolving Credit Facility ("RCF").

Combined with the final instalment of the deferred cash consideration from Dyal of £114.3 million which was received in December 2021, the Group had a net cash position on its balance sheet (excluding consolidated CLO fund cash) at 31 December 2021 of £323.1 million.

Throughout the course of this section reference is made to adjusted measures which the Company considers to be alternative performance measures ("APMs") or key performance indicators ("KPIs"). These are not defined or recognised under IFRS but are used by the Directors and management to analyse the business and financial performance, track the Group's progress and help develop long-term strategic plans. Pages 36 and 37 set out definitions of each of the APMs used within the CFO statement and how they can be reconciled back to the financial statements.

Find out more
www.bridgepoint.eu

Summary

Financial summary

	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Total AUM (€bn)	**32.9**	26.6	23.7%
Fee paying AUM (€bn)	**18.3**	16.1	13.7%
Management fee margin on fee paying AUM (%)	**1.23%**	1.22%	+0.01ppt
Management fees (£m)	**197.7**	148.6	33.0%
Investment income (£m)	**71.2**	42.3	68.3%
Total expenses (excluding exceptional items) (£m)	**(156.7)**	(125.4)	25.0%
Underlying EBITDA (£m)	**113.9**	66.4	71.5%
Underlying EBITDA margin (%)	**42.1%**	34.6%	+7.5ppt
Underlying FRE (£m)	**48.5**	24.9	94.8%
Underlying FRE margin (%)	**24.3%**	16.7%	+7.6ppt
Underlying profit before tax (£m)	**90.5**	52.6	72.1%
Reported profit before tax (£m)	**62.6**	48.5	29.1%
Reported profit after tax (£m)	**57.8**	47.7	21.2%
Reported pro forma basic and diluted EPS (pence)	**7.02**	5.79	21.2%
Adjusted pro forma basic and diluted EPS (pence)	**10.41**	6.29	65.5%

Fundraising

Bridgepoint Europe VII ("BE VII") was launched in late 2021 with a target size of €7.0 billion. Private Equity AUM at 31 December 2021 amounted to €22.9 billion.

Bridgepoint Credit Opportunities IV ("BCO IV") held a first closing in October 2021, raising €0.2 billion and in November Bridgepoint Direct Lending III ("BDL III") held a first closing at €1.2 billion. Bridgepoint CLO 2 ("CLO 2") closed in July at €355 million and in November Bridgepoint CLO 3 ("CLO 3") closed, raising €408 million. As a result of these fundraisings, Credit AUM ended the year at €10.0 billion.

Total AUM development during the last twelve months

EURbn	Private equity	Credit	Total
31 December 2020	**19.2**	**7.4**	**26.6**
Fundraising	1.3	2.8	4.1
Divestments	(2.9)	(0.6)	(3.5)
Revaluations	5.3	0.4	5.7
31 December 2021	**22.9**	**10.0**	**32.9**

Total AUM at 31 December 2021 was €32.9 billion compared to €26.6 billion at the end of the 2020. The 23.7 per cent increase is due to revaluations of fund investments and the impact of successful fundraises for our Credit strategies.

Total Fee Paying AUM development during the last twelve months

EURbn	Private equity	Credit	Total
31 December 2020	**11.9**	**4.2**	**16.1**
Fundraising/invested	2.1	2.5	4.6
Divestments	(0.2)	(1.7)	(1.9)
Step down	(0.1)	(0.4)	(0.5)
31 December 2021	**13.7**	**4.6**	**18.3**

Fee paying AUM at 31 December 2021 was €18.3 billion compared to €16.1 billion at the end of 2020 with the 13.7 per cent increase primarily due to BDC IV becoming fee paying during the year as well as the increase in invested capital in our credit strategies.

Abbreviated Income Statement

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Management fees	197.7	148.6	33.0%
Investment income	71.2	42.3	68.3%
Total operating income	**270.6**	**191.8**	**41.1%**
Total expenses	(185.3)	(133.1)	39.2%
Total expenses (excluding exceptional expenses)	(156.7)	(125.4)	25.0%
EBITDA	85.3	58.7	45.3%
Underlying EBITDA	113.9	66.4	71.5%
Underlying FRE	48.5	24.9	94.8%
Depreciation	(11.9)	(8.2)	45.1%
Underlying operating profit	**102.0**	**58.2**	**75.3%**
Reported operating profit	**70.3**	**49.9**	**40.9%**
Net finance expense (excluding exceptional net income)	(11.5)	(5.6)	105.4%
Net finance expense	(7.7)	(1.4)	450.0%
Underlying profit before tax	**90.5**	**52.6**	**72.1%**
Reported profit before tax	**62.6**	**48.5**	**29.1%**
Tax	(4.8)	(0.8)	500.0%
Reported profit after tax	**57.8**	**47.7**	**21.2%**

The Group's consolidated income statement has two key components: the first is the income generated from management fees, which are from long term fund management contracts. The second component is the variable income from investments in funds and carried interest. Management fee income plus other operating income less costs is expressed as Fee Related Earnings ("FRE"). Underlying FRE excludes exceptional expenses and bonuses linked to investment returns from the calculation. Profits from co-investment and carried interest together with FRE form the EBITDA of the business.

In the year ended 31 December 2021, exceptional expenses were recorded relating the Company's IPO as well as further costs relating to the acquisition of the EQT Credit business. In the year ended 31 December 2020, exceptional expenses were recorded relating to the acquisition of the EQT Credit business. Exceptional items are items of income or expense that are material by size and/or nature, are not considered to be incurred in the normal course of business and are not expected to reoccur. Exceptional items are classified as "exceptional" within the Group's consolidated income statement and disclosed separately to give a clearer presentation of the Group's results.

Underlying operating profit excludes exceptional expenses within EBITDA and the amortisation of intangible assets arising from the acquisition of EQT Credit. Underlying profit before tax excludes the aforementioned expenses and also certain finance income and expenses which have also been classified as exceptional. These relate to the acquisition of EQT Credit and the investment by Dyal Capital Partners. Further explanation of these items is included within note 8 of the financial statements (see page 143).

Total operating income

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Management fees	**197.7**	148.6	33.0%
Carried interest	**14.3**	12.9	10.9%
Income from the fair value remeasurement of investments	**56.9**	29.4	93.5%
Other operating income	**1.7**	0.9	88.9%
Total operating income	**270.6**	**191.8**	**41.1%**

Total operating income grew strongly and increased by 41.1 per cent from £191.8 million in 2020 to £270.6 million in 2021 reflecting an increase in management fees, carried interest and income from the fair value remeasurement of investments.

Management fees increased by £49.1 million, or 33.0 per cent, from £148.6 million for the year ended 31 December 2020 to £197.7 million for the year ended 31 December 2021.

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Private equity	**157.3**	136.6	15.2%
Credit	**37.9**	10.2	271.6%
Central	**2.5**	1.8	38.9%
Total management fees	**197.7**	**148.6**	**33.0%**

This increase was primarily due to the full year impact of the enlarged Credit business following its acquisition in the fourth quarter of 2020. Private equity fees increased due to BDC IV, which started charging management fees on 1 January 2021, partially offset by reduced fees on older funds which are in their divestment phase, when fees are based upon the remaining invested capital.

Income from the Group's share of carried interest income of £14.3 million in 2021 was driven by Bridgepoint Europe V ("BE V") and Bridgepoint Development Capital III ("BDC III") portfolios. Income recognised as a result of increases in the value of co-investments increased by 93.5 per cent from £29.4 million in 2020 to £56.9 million in 2021, reflecting the increase in valuation of assets across the private equity fund range, but particularly within the Bridgepoint Europe V and VI portfolios ("BE V" and "BE VI").

Other operating income includes fees and commissions receivable by the Group's procurement consulting business, PEPCO.
Its income continued to be impacted by COVID through a reduction in the number of projects being undertaken.

Operating and other expenses

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Personnel expenses	**(121.4)**	(96.0)	26.5%
Other expenses	**(36.4)**	(29.2)	24.7%
Foreign exchange gains/(losses)	**1.1**	(0.2)	(650.0)%
Total expenses before exceptional expenses	**(156.7)**	**(125.4)**	**25.0%**
Exceptional expenses	**(28.6)**	(7.7)	271.4%
Total expenses	**(185.3)**	**(133.1)**	**39.2%**

Personnel expenses (excluding exceptional expenses) increased by 26.5 per cent, from £96.0 million in 2020 to £121.4 million in 2021.
This increase was primarily due to the increase of the number of employees following the acquisition of EQT Credit, as well as continuing investment in the Group's operating platform and bonuses linked to the BE V carried interest income recognised by the Group during 2021.

Other expenses (excluding exceptional expenses) increased by 24.7 per cent, from £29.2 million in 2020 to £36.4 million in 2021. The increase reflects predominantly the annualised impact of the acquisition of EQT Credit. Whilst the Group realised some COVID-related savings such as reduced travel, corporate hospitality and staff expenses, these were offset by higher legal and regulatory spend to support the growth of the Group and costs incurred relating to the Group's exit from its current London premises.

CFO Statement continued

Foreign exchange gains/(losses) changed by £1.3 million from a loss of £0.2 million in 2020 to a gain of £1.1 million in 2021. This change was primarily due to the strengthening of sterling versus the euro, and the corresponding remeasurement of the Group's euro borrowings up to the point at which they were repaid following the IPO.

Personnel expenses (excluding exceptional expenses) as a percentage of total operating income was 44.9 per cent for the year ended 31 December 2021, compared to 50.1 per cent for the year ended 31 December 2020 and would have been lower but for the £5.8 million of non-recurring BE V carried interest linked bonuses incurred in 2021. The percentage decrease in 2021 compared to 2020 was due to the increase in operating income being greater than the increase in personnel expenses. Other expenses (excluding exceptional expenses) as a percentage of total operating income reduced to 13.5 per cent for the year ended 31 December 2021, compared to 15.2 per cent for the year ended 31 December 2020 for the same reason.

EBITDA

£ million	**Year ended 31 December 2021**	Year ended 31 December 2020	Change (%)
Underlying EBITDA	**113.9**	**66.4**	**71.5%**
Exceptional expenses	**(28.6)**	(7.7)	271.4%
EBITDA	**85.3**	**58.7**	**45.3%**

Underlying EBITDA increased strongly by 71.5 per cent from £66.4 million in 2020 to £113.9 million in 2021, excluding exceptional expenses associated with the IPO of the Group in 2021 and the acquisition of EQT Credit in 2020. This was largely driven by the operational leverage resulting from the growth in total operating income of 41.1 per cent representing a multiple of 1.65x the growth in total expenses, excluding exceptional expenses, of 25.0 per cent.

Exceptional expenses of £28.6 million in 2021 related to the costs associated with the Group's IPO of £27.1 million, costs of £1.0 million relating to the acquisition of EQT Credit and £0.5 million relating to potential strategic M&A costs. A further £18.4 million of expenses relating to the Group's IPO have been recognised as issuance costs and are included within equity. The £7.7 million of exceptional expenses recorded in 2020 related only to expenses associated with the acquisition of EQT Credit.

EBITDA, including exceptional expenses, increased by 45.3 per cent as exceptional expenses recorded in 2021 offset the majority of the increase in total operating income.

Depreciation and amortisation expense

£ million	**Year ended 31 December 2021**	Year ended 31 December 2020	Change (%)
Depreciation	**(11.9)**	(8.2)	45.1%
Amortisation of intangibles	**(3.1)**	(0.6)	416.7%
Total depreciation and amortisation expense	**(15.0)**	**(8.8)**	**70.5%**

Depreciation and amortisation expense increased by 70.5 per cent from £8.8 million in 2020 to £15.0 million in 2021. This increase was primarily due to two factors, firstly the start of the lease of the Group's new London headquarters, 5 Marble Arch, in July 2021 resulting in an increased depreciation charge from that date onwards and, secondly, the full year of amortisation of the intangible assets acquired with the EQT Credit business (fund customer relationships) which are being expensed over seven years. The amortisation of intangibles has been excluded from the adjusted profitability measures in order to enable a clearer analysis of underlying profitability.

Total operating profit

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Underlying operating profit	102.0	58.2	75.3%
Exceptional expenses	(28.6)	(7.7)	271.4%
Amortisation of intangibles	(3.1)	(0.6)	416.7%
Reported operating profit	70.3	49.9	40.9%
Underlying operating profit margin	37.7%	30.3%	+7.4ppt

Underlying operating profit increased by 75.3 per cent or £43.8 million from a profit of £58.2 million in 2020 to a profit of £102.0 million in 2021, reflecting the £47.5 million increase in underlying EBITDA, partially offset by the £2.5 million increase in amortisation expenses.

Reported operating profit increased by 40.9 per cent from £49.9 million in 2020 to £70.3 million in 2021.

The underlying operating profit margin increased from 30.3 per cent for the year ended 31 December 2020 to 37.7 per cent for the year ended 31 December 2021. This increase was primarily due to increased total operating income which outpaced the growth in operating expenses

Finance income and expense

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Net finance expense, excluding exceptional items	(11.5)	(5.6)	105.4%
Exceptional net finance income	3.8	4.2	(9.5%)
Net finance expense, including exceptional items	(7.7)	(1.4)	450.0%

Net finance expenses, excluding exceptional items, increased by £5.9 million to £11.5 million, from a net expense of £5.6 million for the year ended 31 December 2020. This movement was primarily due to:

- an increase in amounts payable to investors who have a 15 per cent interest in the profits of the BE V co-investment vehicle;
- increased interest expense from borrowings under the Group's Revolving Credit Facility, which was used, in part, for financing the acquisition of the EQT Credit business. The borrowings were repaid in July 2021 following the IPO; and
- increased finance charge relating to the 5 Marble Arch lease.

Exceptional net finance income includes the unwind of the discount applied to amounts due following the investment by Dyal Capital Partners and the impact of the remeasurement, discount unwind and re-translation into Sterling of the deferred contingent consideration payable to EQT AB in relation to the acquisition of the EQT Credit business.

Profit before tax

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Underlying profit before tax	90.5	52.6	72.1%
Exceptional expenses	(28.6)	(7.7)	271.4%
Exceptional net finance income	3.8	4.2	(9.5)%
Amortisation of intangible assets	(3.1)	(0.6)	416.7%
Reported profit before tax	62.6	48.5	29.1%
Underlying profit before tax margin	33.4%	27.4%	+6.0ppt

Underlying profit before tax increased by 72.1 per cent from £52.6 million in 2020 to £90.5 million in 2021.

Reported profit before tax increased by 29.1 per cent from £48.5 million in 2020 to £62.6 million in 2021, reflecting increased underlying operating profits, partially offset by the IPO and other exceptional expenses and amortisation of intangibles of £27.9 million.

The underlying profit before tax margin increased from 27.4 per cent for the year ended 31 December 2020 to 33.4 per cent for the year ended 31 December 2021.

Tax

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Tax	(4.8)	(0.8)	500.0%

Tax increased from £0.8 million in 2020 to £4.8 million in 2021. This was primarily due to movements in deferred tax liabilities.

The effective tax rate for the year ended 31 December 2021 was 7.7 per cent compared to 1.6 per cent for the year ended 31 December 2020. As detailed in note 11 to the financial statements (see page 145), the Group has a lower effective tax rate than the UK statutory rate. This is largely driven by timing differences on the taxation of management fee income and significant tax loss carry-forwards in the UK where certain forms of income are not subject to UK corporation tax.

Profit after tax

£ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Profit after tax	57.8	47.7	21.2%

Profit after tax increased by 21.2 per cent from £47.7 million in 2020 to £57.8 million in 2021 which reflected the higher tax charge in 2021.

Earnings per share and dividend per share

£ pence	Year ended 31 December 2021	Year ended 31 December 2020[2]	Change
Reported Pro forma Earnings per share	**7.02**	5.79	1.23
Adjusted Pro forma Earnings per share	**10.41**	6.29	4.12
Dividend per share	**3.64**	0.79	2.85

Adjusted earnings per share grew by 4.12 pence per share, reflecting the increase in profit after tax and the use of the number of shares in issue following the IPO at the end of 2021 to calculate proforma earnings per share for the comparative period.

A dividend of £30 million, or 3.64 pence per pro forma share, was paid prior to listing to shareholders on the register as of 20 July 2021.

The Directors are proposing a final dividend of £30 million, or 3.64 pence per share, in respect of the second half of 2021, reflecting the period for which the Group was listed.

Consolidated balance sheet

Summarised consolidated balance sheet (statutory basis) £ million	As at 31 December 2021	As at 31 December 2020	Change (%)
Assets			
Non-current assets	**567.9**	438.0	29.7%
Current assets	**712.2**	607.0	17.3%
Total Assets	**1,280.1**	**1,045.0**	**22.5%**
Liabilities			
Non-current liabilities	**432.3**	346.8	24.7%
Current liabilities	**131.5**	307.7	(57.3)%
Total Liabilities	**563.8**	**654.5**	**(13.9)%**
Net Assets	**716.3**	**390.5**	**83.4%**
Equity			
Share capital and premium	**289.9**	241.4	20.1%
Other reserves	**13.8**	27.7	(50.2)%
Retained earnings	**412.6**	39.7	939.3%
Non-controlling interests	**–**	81.7	(100.0)%
Total Equity	**716.3**	**390.5**	**83.4%**

2. 2020 earnings per share and dividend per share are presented on a pro forma basis using the number of shares in issue at 31 December 2021

Net assets principally comprise cash, the fair value of investments and carried interest receivable from private equity and credit funds and goodwill arising from the acquisition of the EQT Credit business.

The Group's balance sheet, notably the structure of its liabilities and equity, changed in 2021 as a result of the IPO which saw additional equity raised and all bank borrowings subsequently repaid from the proceeds of the issuance of new shares.

The Group's total assets grew by 22.5 per cent from £1,045.0 million at 31 December 2020 to £1,280.1 million at 31 December 2021. Non-current assets increased by 29.7 per cent from £438.0 million at 31 December 2020 to £567.9 million at 31 December 2021 predominantly due to increases in the value and investment into the Bridgepoint funds. Current assets increased by 17.3 per cent from £607.0 million at 31 December 2020 to £712.2 million at 31 December 2021 primarily due to increased cash and cash equivalents.

The IPO provided the Group with £300 million of new primary proceeds, before costs, which were used to repay borrowings under the Group's RCF. As a result, total liabilities decreased by 13.9 per cent from £654.5 million at 31 December 2020 to £563.8 million at 31 December 2021. Within that total, current liabilities decreased by 57.3 per cent from £307.7 million at 31 December 2020 to £131.5 million at 31 December 2021 mostly due to the repayment of bank debt following the IPO and a reduction in the value of CLO purchases awaiting settlement, within consolidated CLO vehicles. Non-current liabilities increased from £346.8 million at 31 December 2020 to £432.3 million at 31 December 2021 primarily due to the recognition of the lease liability associated with the 5 Marble Arch property.

Total equity benefitted from the proceeds of the new issue of shares at IPO of £300 million, before costs, resulting in total equity of £390.5 million at 31 December 2020 increasing to total equity of £716.3 million at 31 December 2021.

The consolidated balance sheet includes the assets and liabilities of certain CLOs which are required under IFRS to be presented gross on the balance sheet. This could distort how a reader of the financial statements interprets the balance sheet of the Group. The Group's maximum exposure to loss associated with its interest in the CLOs is limited to its investment in the relevant CLOs which at 31 December 2021 was £12.3 million (2020: £19.5 million).

Summarised consolidated balance sheet (excluding third party CLO assets and liabilities, non-statutory) £ million	As at 31 December 2021	As at 31 December 2020	Change (%)
Total Assets (excluding third party CLO assets)	**1,001.4**	677.3	47.9%
Total Liabilities (excluding third party CLO liabilities)	**(285.1)**	(286.8)	(0.6)%
Net Assets	**716.3**	**390.5**	**83.4%**

Liquidity

The Group's liquidity requirements arise primarily in relation to the funding of operations and the Group's plans in connection with its expansion and diversification strategy. The Group funds its business using cash from its operations (retained profits), capital from shareholders and third-party debt.

Total financial debt and net cash position

£ million	As at 31 December 2021	As at 31 December 2020	Change (%)
Bank borrowings	–	(99.7)	NM
Cash and cash equivalents (excluding CLO cash)	**323.1**	42.3	663.8%
Net cash/(debt)	**323.1**	**(57.4)**	**662.9%**

At 31 December 2021, the Group had net cash of £323.1 million compared with net debt of £57.4 million at 31 December 2020.

The increase in net cash of £380.5 million since 31 December 2020 resulted from the IPO which raised £300 million of gross primary capital, before costs, the receipt of £114.3m of deferred investment proceeds from Dyal Capital Partners IV (C) LP and cash generated from operating activities and investment activities.

Cash from the IPO was also used to repay borrowings under the RCF, which had been used, in part, to finance the acquisition of the EQT Credit business. The borrowings were repaid in July 2021 following the IPO. At 31 December 2021, the Group had no debt, but still has in place the £125m revolving credit facility, which remains available for re-drawing until October 2023.

As at 31 December 2021, in addition to the liabilities shown on the balance sheet, the Group had approximately £113.7 million and £28.5 million of remaining undrawn capital commitments to the Bridgepoint funds in each of the private equity and private credit segments, respectively.

Consolidated cash flows

Summarised consolidated cash flow statement (statutory basis) £ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Net cash flows from operating activities	23.1	28.4	(18.7)%
Net cash flows from investing activities	(163.0)	(111.5)	46.2%
Net cash flows from financing activities	318.6	225.2	41.5%
Net increase in cash and cash equivalents	**178.7**	**142.1**	**25.8%**
Cash and cash equivalents at beginning of the year	157.1	12.1	1198.3%
Effect of exchange rate changes	(8.5)	2.9	(393.1)%
Cash and cash equivalents at the end of the year	**327.3**	**157.1**	**108.3%**
of which: cash and cash equivalents at the end of the year (for use within the Group)	323.1	42.3	663.8%
of which: CLO cash (restricted)	4.2	114.8	(96.3)%
Total cash at the end of the year	**327.3**	**157.1**	**108.3%**

Cash flows from operating activities for the year ended 31 December 2021 was £23.1 million. The decrease of £5.3 million in the cash flows from operating activities compared to the twelve months ended 31 December 2020 was primarily due to the payment of IPO related costs and adverse movements in the Group's working capital.

Cash flows from investing activities primarily relates to investments in the Bridgepoint funds. The timing of investments and divestments in Bridgepoint funds, which impacts carried interest and investment income, depends on the investment activity of the Bridgepoint funds. For the year ended 31 December 2021 cash outflows from investing activities of £163.0 million primarily relate to investments by the consolidated Bridgepoint CLO vehicles with £281.2 million of cash outflows, partially offset by £113.3 million of receipts. Receipts from investments in the Bridgepoint funds broadly offset investment into the funds. Receipts from sale and repurchase agreements relating to the Group's holding in CLOs generated £28.1m.

Cash flows from financing activities for the year ended 31 December 2021 of £318.6 million primarily resulted from the £300m of gross primary capital from the IPO, the receipt of £114.3m of deferred investment proceeds from Dyal Capital Partners IV (C) LP, offset by the repayment of borrowings under the Group's RCF.

In addition, at 31 December 2021 the Group had £4.2 million recorded on the balance sheet as CLO Cash which was held by the consolidated CLO vehicles, legally ringfenced and not available for use by the Group.

The consolidated cash flow statement includes the gross cash inflows and outflows for the period to and cash held at the 31 December 2021 for those CLOs which are required to be consolidated. This could distort how a reader of the financial statements interprets the cash flows of the Group, therefore a cash flow statement without the consolidated CLO vehicles is presented below.

Summarised consolidated cash flow statement (excluding cash flows relating to consolidated CLOs, non-statutory) £ million	Year ended 31 December 2021	Year ended 31 December 2020	Change (%)
Net cash flows from operating activities (excluding consolidated CLOs)	23.1	28.4	(18.7)%
Net cash flows from investing activities (excluding consolidated CLOs)	10.6	(109.3)	(109.7)%
Net cash flows from financing activities (excluding consolidated CLOs)	251.3	108.1	132.5%
Net increase in cash and cash equivalents (excluding consolidated CLOs)	**285.0**	**27.2**	**947.8%**
Cash and cash equivalents at beginning of the year (excluding consolidated CLOs)	42.3	12.1	249.6%
Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs)	(4.2)	3.0	(240.0)%
Cash and cash equivalents at the end of the year (excluding consolidated CLOs)	**323.1**	**42.3**	**663.8%**

Guidance

Transition guidance for BE VI to BE VII: 30 June 2022

Management fee rates expected to continue to remain stable across our businesses

Investment income guidance unchanged

Target of 2-3% co-investments in future funds

Expect modest growth in headcount and personnel costs (relative to fee rate growth) over near term after 2022

FRE margin expected to reach 45-50% in longer term

Effective tax rate guidance remains unchanged

Viability and going concern statements

The Group's future viability and prospects are underpinned by the following:

- **A large proportion of revenue (73% in 2021) is made up of income from long-term fund management contracts**
- **A largely predictable cost base, of which over three quarters is personnel related**
- **Good visibility of income, expenditure and future profitability during and beyond the period covered by this assessment**
- **A strong balance sheet post IPO, with net cash of £323.1m, no borrowings and an undrawn £125m banking facility**

Available levers to operate during stress events include reduced variable compensation costs.

Viability statement

In accordance with the UK Corporate Governance Code, the Directors are required to undertake a robust assessment of the prospects and viability of the Group.

Assessment of prospects

The Group's long-term prospects are primarily assessed through the production of the Group Strategic Plan (the "Strategic Plan").

The Strategic Plan is updated regularly to take into account updated fundraising expectations, fund activity and expected returns and changes within the cost base. The Strategic Plan is presented to the Board at least annually, where it is formally approved, following a robust review and challenge process.

Although the Strategic Plan covers a substantially longer period, the three-year period to December 2024 has been selected for the viability statement on the basis that it is the period over which forecasting assumptions are most reliable due to the high visibility of earnings from fees and investment returns.

The Strategic Plan reflects the Group's strategy, which is summarised on pages 24 to 29, including plans to scale existing strategies, develop new products and build new investment strategies.

Key assumptions within the Strategic Plan include:

- The raising of new funds, which impacts the amount of management fees.
- The timing and level of returns from funds, which impacts co-investment and carried interest cash flows and profit recognition.
- Changes in the cost base, primarily in relation to people costs and inflation.

Progress against the current year's budget, which underpins the Strategic Plan, is monitored through the year.

Assessment of viability

The assessment of the Group's viability requires the Directors to consider the principal risks that could impact the Group, which are outlined on pages 69 to 75.

Whilst all the risks identified could have an impact on the Group's performance, the specific risks that are likely to have the most impact on the business model, future performance, solvency and liquidity of the Group in the three year period covered are considered to be:

- Fund performance – A prolonged and/or significant fund underperformance may adversely affect the Group's business, brand and reputation, income received by the Group, its growth and its ability to raise capital for future funds
- Fundraising – The inability to raise additional or successor funds (or raise successor funds of a comparable size to predecessor funds), or a change in the terms on which investors are willing to invest, could have a material adverse impact on the Group's business, revenue, net income, cash flows or the ability to retain employees

The Directors review the key risks regularly and consider the options available to the Group to mitigate these risks to ensure the ongoing viability of the Group is sustained.

The Group's viability requires consideration from the perspective of capital for solvency, adequacy of regulatory capital and liquidity.

Stress testing has been performed on the Strategic Plan, which considers the impact of the Group's key risks crystallising over the three-year assessment period. The severe but plausible stress scenarios applied to the three-year period are:

Scenarios	Links to principal risks
Scenario 1: Weaker fund performance Assumptions: 50% reduction in co-investment cash returns and no carried interest (beyond that already recognised)	– Fund performance
Scenario 2: Delay or no new fundraising Assumptions: 50% reduction in target fund size	– Fundraising
Scenario 3: A combination of scenarios 1 and 2 above (this is seen as a worst-case scenario and highly unlikely)	– As above

Having reviewed the results of the stress tests, the Directors have concluded that the Group would have sufficient capital and liquid resources in the respective scenarios so that the Group's ongoing viability would be sustained.

The assumptions behind the stress scenarios include maintaining the Group's dividend policy but this, and other assumptions, could be reassessed if the circumstances determined this to be necessary over the longer term. Primary management actions to relieve stresses on the Group's ability to operate during these scenarios include:

- reducing variable compensation costs (which represent circa 40% of payroll costs); and
- utilisation and/or extension of debt facilities.

It is possible that a stress event could be more severe than those modelled and have a greater impact than has been determined plausible. Other actions are available that may reduce the impact of more severe scenarios, but these have not been considered in this viability statement.

The Group undertakes reverse stress tests to identify circumstances under which the business model becomes unviable. The most plausible severe scenario to cause the business model to be unviable is a macro-economic shock which results in the write-down of the value of investments held by the funds. This would impact the level of investment returns/result in losses for the Group but is unlikely to have an immediate impact on viability. If the impact is not temporary (unlike COVID-19, for example) and more permanent, this could impact the ability to exit fund investments and raise new funds, and therefore impact the Group beyond the period covered in this viability assessment.

The reverse stress test determines the level of reduction to forecast distributions from funds in order to trigger a business model failure point, in the absence of any management actions. Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote, as it requires forecast fund distributions to be reduced by 100%, whilst maintaining all of the forecast investing activity in full during the same period, whereas such as macro-economic event is also likely to constrain investment activity.

Whilst the occurrence of one or more of the principal risks has the potential to impact future performance, none of them are considered likely, either individually or collectively, to give rise to trading deterioration of the magnitude indicated by the reverse stress testing and to threaten the Group over the three-year period.

Conclusion

Based upon the assessment set out above, the Directors have a current reasonable expectation that the Group will be able to continue in operation, with adequate liquidity and capital, and meet its liabilities as they fall due over a viability horizon of at least three years.

Going concern statement

In accordance with the Companies Act 2006, the Directors have a responsibility to evaluate whether the Group has adequate resources to continue its operational existence for the foreseeable future and at least the next 12 months.

Assessment of going concern

In carrying out their assessment on going concern, the Directors considered a wide range of information, taking into account both the Company and the Group's current performance and outlook, using information available up to the date of the issue of the financial statements. This included:

- The Group's business and operating models and strategy
- The risk appetite and details of the approach to managing risk
- A summary of the current financial position and resources

Business model

As shown by the table below, a high proportion of the Group's revenue is made up of management fees, which are under long-term fund management contracts. When taken together with a largely predictable cost base, of which over three quarters is personnel related, the Group has a good level of visibility of income, expenditure and future profitability when projected for and beyond the next 12 months.

	Year ended 31 December 2021	Year ended 31 December 2020
Underlying FRE (£m)	**48.5**	24.9
Management fees as % of total operating income (%)	**73.1**	77.5
Underlying FRE margin (%)	**24.3**	16.7
Personnel expenses as % of expenses (excluding exceptional costs) (%)	**77.5**	76.6

Key assumptions made in the forecasts that underpin the Directors' going concern assessment are set out above within the viability statement and include the raising of new funds, timing and level of returns from funds and changes in the cost base from hiring and inflation.

Liquidity and resources

As at 31 December 2021, the Group had a strong balance sheet with net cash of £323.1m (2020: net debt of £57.4m), no borrowings and an undrawn £125m banking facility). During the year, the Group's IPO raised £300m of gross primary capital and the Group received £114.3m of deferred investment from Dyal Capital Partners IV (C) LP.

In order to ensure liabilities are settled when they fall due, the Group's liquidity is monitored regularly. This includes monitoring the timing and level of operating expenses and the timing of drawdowns and receipts from fund investments.

Stress testing

In making their assessment the Directors have considered scenarios prepared in conjunction with the viability statement, including a delay in fundraising and lower returns from fund investments, which would impact the income and cash flow of the Group. The Directors are satisfied that, even under these stressed scenarios, the Company and the Group would remain a going concern.

Conclusion

After making their assessment the Directors considered it appropriate to prepare the financial statements of the Company and the Group on a going concern basis for at least twelve months from the date of the approval of the financial statements.

How we approach ESG

We are growth investors, and we back businesses at critical stages in their lifecycle. This gives us the opportunity to drive positive change, not just in terms of performance but also in the environment and society in which we operate.

This is our platform for making a difference.

We want to help businesses do good and grow faster and we believe sustainable, resilient businesses deliver superior returns and a better society.

When we invest, we invest to grow. Bridgepoint looks to support strong-performing, good quality, well-managed businesses that have the potential to flourish, either via international expansion, operational improvement, acquisitions or through a combination of all three.

But that's not all we look for. The 30 million beneficiaries of Bridgepoint funds want us to generate attractive returns in a manner they can be proud of. From the outset, this is what we have strived to achieve.

Since Bridgepoint was founded in 1985, our ambition has remained consistent:

To create lasting and sustainable positive impacts

Beneath that ambition lie four key ESG beliefs that guide our investment decision-making:

1. **We believe we must invest in our world.**

Environmental action is ushering in a new era of innovation, productivity and sustainable growth. Climate change represents both an investment risk and opportunity.

2. **We believe in the power of the individual.**

By bringing diverse teams together that reflect the world in which we live, we can deliver better performance.

3. **We believe that business can and should be a force for good.**

Growing businesses should benefit the communities in which they operate.

4. **We believe well-governed businesses perform better and are more resilient.**

Structure, accountability, effective decision-making, and performance monitoring – all enable sustainable success for all stakeholders

How we approach ESG continued

We are committed to a journey of constant improvement.

Environmental, social and governance principles are part of Bridgepoint's DNA. They are embedded into our own business and they are integrated into the full life-cycle of our funds' investments.

We consider each of the four ESG beliefs across four key areas of activity:

Bridgepoint's Group operations – as opposed to the businesses that Bridgepoint funds support

Investment decision-making – the processes and approach that Bridgepoint takes when assessing potential investments

Portfolio operations – the products and services that investee companies provide and how they might support the UN Sustainable Development Goals

Portfolio practices – investee companies' internal ESG policies and performance

ESG at the Group level

We aim to set the standard in corporate responsibility.

Moving towards net zero, having a more representative workforce, supporting our communities and leading governance are headline ambitions. We have the structures, policies and people in place to deliver these ambitions and support our broader beliefs.

Sustainable and resilient businesses deliver stronger performance.

It is our aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards. As a group, when we achieve our goals, we set ourselves higher targets:

- Carbon neutrality – we became carbon-neutral in 2021, and are now progressing towards net zero
- Increasing gender diversity – we met an initial target of 25% female representation in investment teams in 2019, and have since raised this to 40% by 2025. We also have a 20% target for female representation in senior investment team roles by 2025.

Governance

Our rigorous approach to the management of fund investments includes putting in place structures to ensure that Bridgepoint remains accountable and transparent, and that there is complete alignment of interest between the Company and third-party fund investors.

During 2022, Bridgepoint will introduce a ESG Committee at the Company Board level, supported by executive-level ESG and Diversity, Equity & Inclusion groups. The Company also participates in key industry associations and initiatives, becoming an active member of Invest Europe's Responsible Investment Roundtable, for example, and having a seat on Level 20's Advisory Council which focuses on the promotion of women in private equity.

We also have a close relationship with third-party specialists who are leaders in ESG, including ERM, the world's largest global pure-play sustainability consultancy and previously a Bridgepoint portfolio company.

Training

All our investment professionals are asked to complete compulsory ESG training, delivered by the British Private Equity & Venture Capital Association (BVCA). Bridgepoint and the BVCA worked closely to develop a pioneering ESG training course in 2016 which has since become one of the leading industry courses. Although delivered by the UK's industry body, the course is designed to suit professionals working in all the jurisdictions in which we operate.

Diversity, equity and inclusion (DE&I)

Bridgepoint is an international business: our employees come from more than 25 countries and speak over 20 languages. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every level including gender, ethnicity and social background.

In 2015 we recognised that Bridgepoint and the wider alternative asset management industry needed to do more to develop greater gender diversity. Our response was to launch a ten-year programme to increase the representation of women in our business.

An initial target of 25% female representation in the investment team was met in 2019, and then raised to 40% by 2025. Progress has been driven by a gender-balanced recruitment policy and our International Associate Programme, which has a 50:50 gender split.

In 2020, our DE&I Committee widened its focus to include ethnic and social diversity: Bridgepoint became a member of the 10,000 Black Interns programme, which aims to address the under-representation of black talent in the financial sector and we joined Out Investors, a global network for LGBTQ+ investment professionals.

Internal DE&I initiatives include:

- Creation of DE&I groups for each Bridgepoint geography
- Women's Leadership development programme
- Formal DE&I objectives for partners and directors
- Diversity risk and unconscious bias training for all employees
- 'Working at Bridgepoint': a new families and formal diversity policy
- Maternity coaching
- Gender-neutral parental leave

Bridgepoint is now a carbon neutral company

Bridgepoint recognises the key role we have as an investor to address climate change at both the management company level and portfolio level. As a Firm, we support the goals of the 2015 Paris Agreement and its goal to limit global warming to 1.5°C above pre-industrial levels.

We set a short-term target to become a carbon neutral company by the end of 2021 through the purchase of carbon offsets, in partnership with ACT Commodities (a Bridgepoint portfolio company).

We are conscious that our largest impact comes from the emissions of our funds portfolio companies and therefore in 2022, we will continue to engage and support those businesses with their sustainability programs including outlining plans to achieve net zero by 2040.

Bridgepoint creates lasting, sustainable positive impact

The Environment

Climate change is
an investment risk and
an opportunity

Society

Communities

Growing businesses benefit
their communities

Diversity, Equity and Inclusion

Diverse groups make
better decisions

Governance

Well governed businesses
perform better and are
more resilient

Measurement

Effective measurement is the foundation
of improved performance

ESG in the investment process – Before, during, after

1 2 3 4

We carry out thorough ESG due diligence before we invest. We are proactive in working with our portfolio companies to raise their ESG ambitions in line with our beliefs. We help them deliver their targets.

By embedding ESG in the DNA of our portfolio companies, we set them up for sustainable success both during and after the investment period.

Pre-investment

First and foremost, we don't invest in companies whose products, services or practices cause environmental or social harm, and where there is no path to transform the business into a positive contributor to society.

When we first consider a potential investment, our team will identify any potential ESG red flags or opportunities as part of our early transaction screening, this early screening process includes the use of exclusion lists, highlighting sectors and activities that we will not support. An opportunity can be rejected on ESG grounds at this or any later stage.

As the opportunity moves into full due diligence, the investment team is responsible for ensuring that any ESG-related issues are identified and assessed.

The findings from the ESG due diligence and any recommended remedial actions form a key part of the analysis presented to Bridgepoint's Investment Advisory Committee.

For more information on origination see page 20

We align all investment decisions in support of achieving the United Nations Sustainable Development Goals (SDGs). We assess:

- the company's performance against the SDGs;
- any ESG considerations related to the company's business model;
- its existing ESG policies and programmes; and
- opportunities for improvement.

1

Directly post-investment

We aim to discuss ESG collaboratively with portfolio companies as early as possible – at the due diligence stage before we have made the investment and between signing and closing the investment.

Following completion, as part of a value creation 100-day plan, the deal team will work with management to appoint a senior executive to take responsibility for ESG on a day-to-day basis, if there isn't already one in place.

As part of this early engagement period, we will share our 'ESG guidelines for Bridgepoint-backed companies' and outline our expectations, as well as introduce the lead executive to our ESG monitoring programme.

The portfolio company will then be asked to complete our comprehensive ESG survey. This builds on the due diligence findings to generate a detailed understanding of current ESG performance. Once this initial discovery phase is complete a roadmap will be agreed with management that includes company-specific ESG initiatives and corresponding KPIs, all of which will be consistent with our own beliefs.

2

During the investment period

Throughout the fund investment period, we ensure management teams regularly review their ESG policies, ensuring they remain aligned with industry-specific good practice and deliver against the UN SDGs.

Bridgepoint provides guidance and support to management teams via the Bridgepoint board representative and/or the dedicated ESG team. External ESG advisers may also be engaged.

Bridgepoint also convenes ESG workshops with third-party specialists to refresh thinking and import the latest best practice.

Tracking performance is a vital and evolving element of improving ESG practices during fund investment. At the portfolio company level, management teams regularly report on key KPIs. At the industry level, we are actively engaged in driving greater consistency in performance monitoring.

For more information on creating value during the investment period, see page 56

3

At divestment

Our goal is to set up businesses for sustainable success following the Bridgepoint investment period.

That is why we ensure that, like Bridgepoint, ESG is in the DNA of our portfolio companies.

We also ensure that governance structures put in place during investment are sustainable post-investment and include detailed information on ESG-related matters as part of vendor due diligence.

4

How integrating ESG considerations into decision-making, both before and during the investment period, works in practice:

Zenith

Zenith, a leading UK-based fleet management company, has a well-established apprenticeship programme and has forged strong links with the local community in Yorkshire where it is based, including visiting school careers fairs to promote apprenticeships and careers in the automotive industry. Apprentices at the company receive in-house training with support from an advisor and dedicated mentor. Zenith was named as one of the UK's top 100 apprenticeship employers by the National Apprenticeship Scheme, and in 2020, it appointed a record number of apprentices (68, equivalent to 10% of its total workforce).

The business is also playing a key role in helping to transition customer fleets from carbon to electric and hybrid through customer consultations, highlighting the benefits of moving to electric and hybrid vehicles (c.80% of new vehicle orders are now electric or hybrid).

Of new vehicles electric or hybrid

80%

A top

100

apprenticeship employer

A track record of industry leadership

2007
Founder member and contributor to Walker Guidelines for Disclosure and Transparency

2009
Launched the Bridgepoint Charitable Trust

2013
Joined the UN PRI

2013
Published our first Responsible Investment Policy

2014
ESG topics become embedded in investment decision-making

2016
ESG incorporated into our Governance with the inaugural ESG Committee meeting

2016
BVCA training on responsible investment rolled out to all deal team members

2017
Dedicated ESG team launched

2019
Consistent ESG reporting across the portfolio

2020
Bridgepoint Hardship Fund launched to help support our communities through Covid

2021
BE VII and BG II become Bridgepoint's first SFDR article 8 aligned funds

Evac

Evac, is a global cleantech business and a leader in the provision of fresh water and waste sanitation systems to the marine industry. Environmental sustainability is a cornerstone of Evac's operations. Its technologies address the increasing need for sustainable solutions that optimise the handling of scarce fresh water and minimise customers' environmental footprint.

Evac is a signatory to the Finnish government's 'Commitment 2050' initiative and has committed to help reduce marine litter and increase dry waste recycling by cruise ships from 25% to 50% by 2025 (and 70% by 2050).

Rovensa

Rovensa is a global leader in the provision of crop lifecycle management solutions. Under Bridgepoint fund ownership, Rovensa has shifted its emphasis towards Bio Control products with the acquisition of Idai Nature, who received the 'Product and Service' award from the European Commission in the Annual European Business Awards for the Environment 2020.

Rovensa has also significantly enhanced its ESG policies and procedures and produced its first sustainability report in 2021. Alongside stringent environmental controls at its facilities, including state-of-the-art fire and dust suppression systems and waste-water recycling, Rovensa has continued to reduce waste and has significantly reduced cardboard box usage at its Tradecorp subsidiary.

Lending weight

ESG lies at the core of our Credit strategy.

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

Where we make credit investments, we apply an ESG-centred due diligence framework and incentivised loan pricing.

Consistent with Bridgepoint's overall ambitions but reflective of the relationship between Credit funds and their portfolio investments, ESG is embedded in our credit strategy.

During the investment period, the credit opportunities strategy often follows a private equity-like approach to value creation, including in relation to ESG. Direct lending funds, on the other hand, typically have less influence over their portfolio companies' strategies. Steps can still be taken to ensure ESG plays a key role in the portfolio, through:

Pre-investment screening

We look to invest in businesses that support the UN Sustainable Development Goals. As a result, the credit team regularly rejects investment opportunities that either carry ESG risk or operate in harmful industries. In addition to assessing the company, we also assess the shareholders (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

Incentivisation

Bridgepoint Credit is at the forefront of a new market centred around actively incentivising ESG performance through the pricing of loans. Margin ratchets linked to ESG outcomes are incorporated into loan documentation, enabling the interest rate on a loan to vary, based on ESG performance against specific targets.

ESG Industry Associations

Bridgepoint drives positive change in the investment industry

We publicly advocate and champion responsible investment and share our experiences and practices with the wider investment community through our engagement in the following industry-wide associations and initiatives:

Industry associations

PRI – Bridgepoint became a signatory to the UN-backed Principles for Responsible Investment ("PRI") in 2013.

BVCA – Bridgepoint is a member of the British Private Equity and Venture Capital Association and hence follows the Walker Guidelines for Disclosure and Transparency in Private Equity.

Invest Europe – Invest Europe, formerly known as EVCA, European Private Equity & Venture Capital Association, represents the private equity community across Europe. Bridgepoint is a member of its Responsible Investment Roundtable.

European Leveraged Finance Association – ELFA is a trade body that seeks a more transparent, efficient and resilient leveraged finance market.

Diversity, Equity and Inclusion (DE&I) initiatives

Level 20 – Level 20, a not-for-profit organisation which promotes gender equality and diversity in private equity. Bridgepoint's co-head of UK investment activities and Emma Watford (partner and co-chair of the Diversity, Equity and Inclusion Committee), sits on Level 20's Advisory Committee.

ILPA's Diversity in Action – Bridgepoint is a signatory to ILPA's 'Diversity in Action' initiative which aims to advance diversity, equity and inclusion.

10,000 Black Interns – We became a member of the '10,000 Black Interns' programme in 2020 to help address the under representation of black talent in the financial sector.

Out Investors – We are a member of Out Investors, a global organisation that was founded with the mission to make the direct investing industry more welcoming for LGBTQ+ individuals.

Sustainability initiatives

iCI – In 2021, Bridgepoint joined the Initiative Climat International (iCI), an initiative for private equity action on climate change, in support of a collective commitment to understand and reduce carbon emissions of private equity-backed companies and secure sustainable investment performance.

Data Convergence Project – We are a founding and Steering Committee member of the ESG data convergence project which was set up by a group of GPs and LPs, led by CalPERS and Carlyle, who have convened to form the private equity industry's first-ever collaboration to align on a standardised set of ESG metrics and mechanism for comparative reporting.

Sustainable Markets Initiative (SMI): We are members of the SMI's private equity roundtable. The SMI which was launched by HRH The Prince of Wales at the World Economic Forum2020. It is a global coalition of leading companies who share the vision around the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.

TCFD

We are committed to supporting the transition to a low carbon economy and journey to net zero in line with the Paris Agreement and reporting our progress transparently. We are at the beginning of this journey and the following voluntary disclosures detail our first responses in line with the TCFD recommendations and recommended disclosures.

They summarise how we integrate climate risks and opportunities into our key business and investment decisions and includes data on our direct greenhouse gas (GHG) emissions.

Whilst the direct environmental impact from Bridgepoint's own operations is considered limited, we are offsetting these to be carbon neutral and have developed a strategy to progress towards net zero. See 'Metrics and Target' for further details on the initiatives we are implementing to achieve these goals.

We consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention.

Governance

The organisation's governance around climate related risks and opportunities.

Description of the Board's oversight of climate-related risks and opportunities	The Executive Committee, on behalf of the Board, is responsible for overseeing the implementation of the Group's responsible investment policies and procedures which have been established to manage ESG, including climate-related matters, across the Company. In 2022 our intent is to refine this approach, and create a Board level ESG committee. Recognising the importance of ESG to the Group's day-to-day operations and investment activities, our Group CFO has been appointed as the board-level executive sponsor for ESG matters. The Executive Committee is supported by an executive-level ESG Committee, which is responsible for developing and monitoring the implementation of the Group's ESG policies and procedures, including those relating to climate change. It meets on a quarterly basis. The Investment Advisory Committee and Portfolio Management Committee, comprising senior investment Partners from across the Group, considers and reviews material ESG risks and opportunities as they relate to investee companies.
Description of management's role in assessing and managing climate-related risks and opportunities.	The Group's in-house ESG team is responsible for supporting the relevant committees in the discharge of their responsibilities and in the development and implementation of the Group's climate policies. As and when necessary, the team will utilise the knowledge and expertise of external ESG advisers and climate experts to support the implementation of the Firm's ESG programme. The team reports to the Group CFO and the ESG Committee. With respect to Bridgepoint's investment activities, the Investment teams and Investment Advisory Committees are responsible for assessing and integrating ESG considerations into pre-investment and ownership/stewardship practices, supported by the ESG team as appropriate.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Description of the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Given the nature of the Group's day-to-day activities across our (leased) office network, spanning 10 countries, the impacts of both transition and physical climate-related risks are considered negligible. In our investment practice, whilst we aim to avoid investing in companies whose products, services or practices cause environmental harm, we recognise that our portfolio companies have ESG risks and opportunities, which vary by company, sector, and jurisdiction. Short, medium and long-term climate-related issues are considered as part of our pre-investment due diligence processes and are factored into our ownership practices, as appropriate. During due diligence, in collaboration with external ESG advisers, we will identify material climate-related risks and opportunities, which will be summarised, along with any relevant remedial actions/recommendations, in the investment papers issued to the Investment Advisory Committee before any investment is made. Both transition and physical climate issues are considered and can include, but are not limited to, policy/regulation requiring measurement and reduction of carbon emissions, compliance with country-specific emission trading schemes, risks of flooding to key operations, and associated impacts to supply chains.

Strategy continued

	In terms of the current Private Equity Fund portfolio, in 2021, we concluded our first high-level assessment of climate-related financial risk and opportunity across our private equity portfolio, with support from ERM, a leading international ESG consultancy. The assessment considered several forward-looking temperature increase scenarios across short, medium and longer term time frames and the associated physical and transition implications. The report concluded that the portfolio was subject to relatively low levels of physical and transition risk. We will look to build upon this work and broaden its application to all our investment strategies going forwards.
Description of the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	As noted above, at a Group level we consider the impact of climate related issues on the Firm's operations to be limited. However, as an organisation ESG plays a significant role in our thinking. For example, within the Credit business the team have invested in creating a proprietary approach to rating potential investments ESG performance and within Private Equity, we have been investing in dedicated reporting tools that enable us to track performance against ESG KPIs across investments. We have also taken the strategic decision that BE VII will be aligned with SFDR article 8, which provides the opportunity for us to more formally integrate ESG into the workings of our Funds.
Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We consider the risk of significant effects of climate change associated with a 2°C or lower scenario on the Group's direct operations to be limited. Relevant disaster recovery policies are in place to ensure the safe and continued operation of our office and IT infrastructure, which are overseen by the Executive Committee supported by relevant departments such as IT and ESG. With respect to our investment activities, we acknowledge that climate change represents both an investment risk and opportunity. This is why we have established rigorous processes to assess climate-related and broader ESG issues in our portfolio, before we make an investment and during our ownership period. This includes an assessment of the company's resilience and approach to future proofing, with key findings included in the investment papers reviewed by the Investment Advisory Committee. If material climate-risks are identified that could impact the viability and future growth of the company, we will work with management to address these appropriately and progress is monitored by our Portfolio Management Committee.

Risk management

How the organisation identifies, assesses, and manages climate-related risks.

Description of the organisation's processes for identifying and assessing climate-related risks.	At a Group level, climate-related risks are integrated into Bridgepoint's ESG framework, which is monitored by the ESG Committee. The ESG team is responsible for tracking relevant developments in climate-related policy and regulation and reports this to the committee. Any material issues identified will be escalated to the Executive Committee as appropriate. We typically do not invest in energy intensive sectors or have direct exposure to the fossil fuel sector, and therefore consider our exposure to climate risks to be limited. However, we do recognise that the companies we invest in are subject to certain ESG and climate-related risks and opportunities. Our ESG framework enables us to systematically identify, manage and report on material climate issues across the whole investment lifecycle from pre-investment, ownership and exit. As noted above, our due diligence processes include the identification and analysis of ESG risks and opportunities, and before an investment can be made, the Investment Advisory Committee must be satisfied that all material issues have been appropriately considered by the investment teams and any remedial actions factored into post-investment planning. Investment teams are given training and guidance materials to help identify and assess ESG factors during due diligence.

Risk management continued

Description of the organisation's processes for managing climate-related risks.	Any material climate-related risks that could impact the Group directly are managed by the ESG team with support from other parts of the business as appropriate. Where specific technical or legal expertise is required, the team will draw upon its extensive network of ESG and legal advisers, as well as leverage the relevant ESG industry associations and working groups, such as iC International and Invest Europe's Responsible Investment Roundtable, which has recently published private equity climate guidance. Across our investment strategies, post-investment, ESG forms a key part of our active ownership and engagement activities. We work closely with the company's management teams, using our influence to support them implement appropriate ESG policies, initiatives and KPIs. This will include material climate-related risks as appropriate, including measurement of carbon emissions. We ensure that each portfolio company board of directors is accountable for ESG and that it regularly reviews progress against agreed ESG roadmaps. A board-level executive is assigned as the ESG point of contact and when necessary, we will introduce the company to climate change experts to support them identify and manage material risks.
Description of the organisation's processes for managing climate-related risks.	Any material climate-related risks that could impact the Group directly are managed by the ESG team with support from other parts of the business as appropriate. Where specific technical or legal expertise is required, the team will draw upon its extensive network of ESG and legal advisers, as well as leverage the relevant ESG industry associations and working groups, such as iCI and Invest Europe's Responsible Investment Roundtable, which has recently published private equity climate guidance. Across our investment strategies, post-investment, ESG forms a key part of our active ownership and engagement activities. We work closely with the company's management teams, using our influence to support them implement appropriate ESG policies, initiatives and KPIs. This includes material climate-related risks as appropriate, including measurement of carbon emissions. We ensure that each portfolio company board of directors is accountable for ESG and that it regularly reviews progress against agreed ESG roadmaps. A board-level executive is assigned as the ESG point of contact and when necessary, we will introduce the company to climate change experts to support them in identifying and managing material risks.
Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The monitoring of material climate-related risks is integrated into our existing risk management and investment monitoring processes. As noted above, the ESG Committee is responsible for monitoring ESG performance and risk across the Group and its investment portfolio. With respect to individual portfolio companies, any identified material climate risks will be monitored by the Portfolio Management Committee on a regular basis, including progress against ESG roadmaps, initiatives and KPIs. In addition, the ESG team, with support from the Investment teams, conducts an annual portfolio-wide ESG review which includes climate-related risks. Over the last year we have invested in upgrading our ESG KPI data collection with the implementation of a dedicated ESG software solution, which for the first time enables portfolio companies to calculate their carbon footprint. This will further enhance our ability to analyse and track progress against our net zero targets, as well as to identify further improvement opportunities.

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Disclosure of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

At Group level, we have focused on the measurement of our carbon footprint and track the emissions from our scope 1, 2 and 3[1] (including indirect emissions associated with employee business travel) activity.

In our Private Equity investment activities, we regularly monitor a broad range of climate-related metrics along with a wider set of ESG measures. The metrics that we track range from standardised KPIs such as the adoption of climate related policies and appropriate governance through to KPIs specific to individual portfolio companies. From 2022, this will include reporting on greenhouse gas emissions from across all private equity portfolio companies.

In our Private Credit business, we have an established portfolio company scoring system where we assess performance against over 30 ESG KPIs including several environmental metrics. Additionally, we are working with an ESG adviser to develop an appropriate climate focused monitoring and reporting process to enable the Investment teams to assess the GHG emissions footprint, identify key transition and physical risks, and the maturity of TCFD reporting of their investments.

Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

Our scope 1 and scope 2 emissions, and underlying total energy consumption, associated with Group operations are summarised in the table below. This information has been prepared in accordance with our reporting requirements under the UK's Streamlined Energy and Carbon Reporting (SECR) scheme for quoted companies, in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018.

	Current reporting year 2021			Comparison reporting year 2020		
Emissions Scope	**UK**	**Rest of world**	**Total**	UK	Rest of world	Total
Scope 1 (tCO_2e)	78.7	13.6	92.3	45.1	36.4	81.5
Scope 2 – location-based (tCO_2e)	68.6	112.4	181.0	76.6	122.3	198.9
Scope 2 – market-based (tCO_2e)	8.8	31.2	40.0	69.0	126.1	195.1
Total scope 1, 2 (location-based) (tCO_2e)	147.3	126.0	273.3	121.7	158.7	280.4
Total scope 1, 2 (market-based) (tCO_2e)	87.5	44.8	132.3	114.2	162.5	276.7
Underlying total energy consumption (kWh)	752,771	640,717	1,393,488	574,294	1,054,795	1,629,089

The scopes 1 and 2 global emissions intensity per full time equivalent (FTE) employee is 0.75 tCO_2e for a location-based approach and 0.36 tCO_2e for a market-based approach, based on an average of 364.7 FTE employees. This is compared to 0.94 tCO_2e and 0.93 tCO_2e respectively in 2020, based on an average of 297.8 FTE employees. The main reasons for the significant decrease are the growth in employee headcount and the purchase of renewable electricity for our offices globally.

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard. We have included all sites and activities which fall within our operational control boundary. Scope 2 emissions have been calculated using the location-based approach, as required, as well as the market-based approach to illustrate our efforts to procure renewable electricity.

Scope 1 emissions include consumption of natural gas. Refrigerant loss from cooling systems, and fuel use in corporate and grey vehicle fleets are deemed to be immaterial at less than 2-5% of total emissions, so have been omitted from reporting. Scope 2 emissions include purchased electricity and district heating/cooling system use.

Where full energy consumption data was not available, estimates were made using direct comparison, pro-rata extrapolation or benchmarking approaches. Estimation accounts for a small amount of the overall data and we are working to reduce this further in future reporting years.

In 2020, our scope 3 emissions totalled 885.9 tCO_2e, with the largest contributor being emissions related to business travel (all transport by air, public transport, rented/leased vehicles, and taxis as well as hotel accommodation). We recognise that business travel is a material source of emissions for us, and an exercise is under way to collect and refine this information for 2021 and future reporting years.

1. This comprises of business travel (transport and hotel accommodation), waste generated in operations, purchased goods and services (water and consumable supplies), capital goods, fuel and energy related activities, and for the 2020 GHG emissions footprint calculation also included homeworking emissions.

Metrics and targets continued

Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks continued	**Scope 3 'financed emissions' (portfolio companies)** At the end of 2021 we launched an initiative to measure the carbon footprint of each of our private equity portfolio companies on an ongoing basis. Some of our larger investments are already well positioned in this regard, and during 2022 we will move to reporting carbon emissions for all portfolio companies where we have material control. As a result, our 2021 scope 3 emissions reporting omits portfolio company 'financed emissions'. **Actions taken to reduce emissions** Whilst we have a relatively low carbon footprint, we are committed to reducing our impact wherever possible. In 2021, we partnered with a leading supplier of market-based environmental solutions to purchase renewable electricity for 8 offices, with the remaining 4 already operating on renewable electricity tariffs, and offset the Group's overall GHG footprint. We offset the Group's emission through the purchase of carbon reduction credits from ACT, a BE VI investment and leading provider of market-based sustainability solutions. We carefully selected four projects to invest in which are focused on forest preservation and removal of carbon; these were: 1. The Uchindile Mapanda reforestation project to rebuild carbon sinks in Tanzania (verified carbon standard); 2. The Francis Beidler forestry conservation project in the US (climate action reserve standard); 3. The high impact reforestation project to conserve forests and support communities in Nicaragua (gold standard for the global goals); and 4. The Rotunda forest project to improve forest management to offset carbon in Romania (verified carbon standard and climate, community & biodiversity standards). In 2022 we anticipate further reducing our environmental footprint and scope 2 emissions when our largest office, based in the UK, is relocated to a new, energy efficient building. The new building is aiming to achieve a BREEAM 'Outstanding' rating which includes studies to minimise the operational and embodied carbon emissions produced by the building throughout its lifecycle.
Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	At Group level, we set ourselves the target of becoming a carbon neutral company, by offsetting carbon emissions associated with our own business activities. We also set a target to procure 100% of the Group's office electricity consumption from renewable sources. We are pleased to report we achieved both of these goals in 2021. With respect to our private equity investment activities, we have set an ambitious target for all portfolio companies to be net zero by 2040 and to have Paris-aligned net zero strategies in place by the end of 2023, or within 12 months of investment for new acquisitions. As a first step in achieving this goal, we require all our portfolio companies to assess their carbon footprint and put in place measures to start to materially reduce these, if not already in place. As best practice evolves, we will continue to refine our approach to supporting companies monitor and reduce their emissions.

Non-Financial Information Statement

The Group complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. This information is intended to help stakeholders better understand how we address key non-financial matters. Further details of the activities we undertake in supporting these frameworks are available on our website. Details of our business model are included on pages 14 to 23 and our principal risks and how we manage those risks are included on pages 69 to 75.

Employee matters

At Bridgepoint we firmly believe that our people are our greatest asset. From the recruitment of diverse and talented professionals who exhibit a passion for performance and drive, to the development of staff through hands-on learning and extensive training, we strive to foster a collaborative and inclusive environment. We are committed to being an equal opportunities employer and oppose all forms of unlawful discrimination. As such, we ensure our overall levels of remuneration are without gender bias and are designed to attract, develop and retain talented employees.

Employee diversity

As at December 2021, the Group had 344 permanent employees of which 187 were women and 157 were men. There are two Executive Directors both of whom are male. Of the 14 senior managers, 2 are women.

Board diversity

Biographical details of the Board and information on diversity are set out on pages 76 to 79. The Board membership is expected to change during 2022 as new Non-Executive Directors are appointed.

Measurement

The Board approved the targets of achieving a 50:50 gender balance in entry level recruitment from 2021 and of increasing the number of women in the investment team to 40 per cent by 2025.

Policies and standards

We are committed to preventing any form of slavery and human trafficking. We seek to ensure there are no such practices in our business and supply chain. During the year, we have carried out employee training and awareness raising and continued to include anti-slavery considerations in supplier selection and due diligence.

We have also conducted a review of our own business, our portfolio companies that are covered by our statement and material suppliers. No concerns were raised by any of our due diligence. The Group’s full policy on Modern Slavery can be found at www.bridgepointplc.com.

Anti-bribery and corruption

We are committed to ethical business practices across all our operations and investments. Our policy is never to offer, request or receive bribes, and to refuse any request to pay them. We actively seek to reduce opportunities for corruption. We do not invest in companies or projects that engage in corruption or appear to have a high risk of such behaviour. We investigate and deal with all reported or identified cases of corruption in line with our policy, which applies to all entities within the Group wherever we do business.

Environmental matters

The Group’s disclosures in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements are set out on page 64.

1 Our approach

The Group believes that risk management is a fundamental part of robust corporate governance and good management practice. Good risk management does not mean avoiding risks at any cost but rather making informed and coherent choices regarding the risks the Group and its funds want to take in pursuit of their strategies and objectives, having regard to the methods used to manage and mitigate those risks. Accordingly, risk management is embedded within all areas of the business, both at a Group and legal entity level, including in culture, decision-making processes, practices, business planning and reporting activities.

The Group manages a variety of risks in connection with its business activities, and the Board is ultimately responsible for oversight of the Group's risk management and internal control systems. This includes determining the nature and extent of the principal risks that the Board is willing to take in order to achieve the Group's strategic objectives, and reviewing management's implementation of effective systems of risk identification, assessment and management.

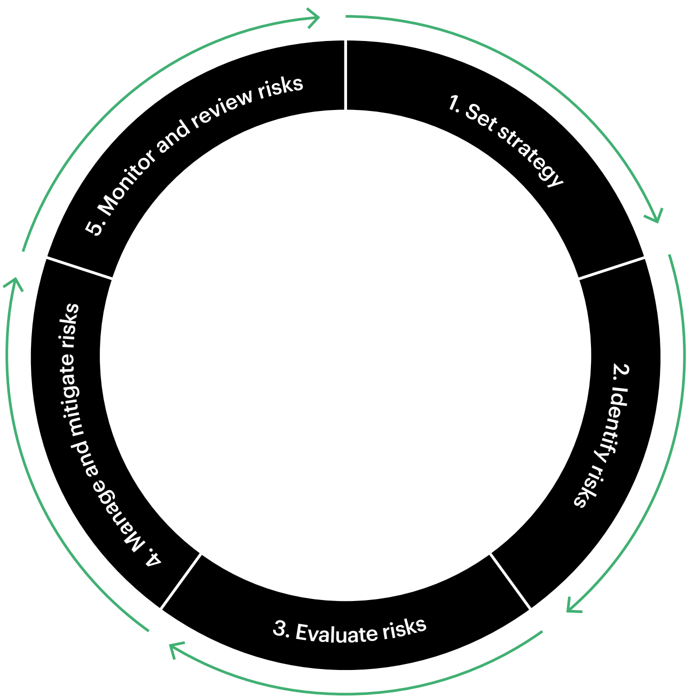
The Board is assisted in its risk management role by the Audit and Risk Committee, which monitors and reviews the Group's internal controls and risk management systems. More details of the Audit and Risk Committee are set out on pages 87 to 91.

The Group's risk management framework is underpinned by a strong control culture with clear oversight responsibilities. The team also carries out thematic compliance monitoring work. The Group maintains comprehensive insurance cover with a broad range of policies covering a number of insurable events. During 2022, to support the monitoring and review of risks, it is expected that an internal audit programme will be adopted, supported by an outsourced internal auditor.

2 Risk management process

The Group undertakes the following process to identify, monitor and manage risks:

1. **Set strategy** – The Board considers and approves the Group's strategy, which forms the basis of the Group's risk identification process and risk appetite, allowing those risks that may impact achievement of strategic objectives to be focused on.
2. **Identify risks** – Periodically an exercise is undertaken to identify the key and emerging risks facing the Group.
3. **Evaluate risks** – The Group evaluates risks based on two key factors: the likelihood of the risks eventuating, and the impact on the Group were the risks to eventuate (both financially and in respect of other matters such as reputation). The relevant risks are categorised and rated based on the cumulative impact of these two factors.
4. **Manage and mitigate risks** – Mitigating actions are identified for each risk, taking into account the effectiveness of the current control environment. Where appropriate, changes to the control environment are identified and implemented.
5. **Monitor and review risks** – The Group undertakes ongoing monitoring of risks identified and the effectiveness of mitigants implemented.



3
Key risks

When identifying risks, the Group categorises these within one of the following three areas: Strategic and External risks, Investment risks, and Operational risks.

Strategic and External risks relate to the risk of failing to deliver on the Group's strategic objectives or risks from external or broader events, resulting in a negative impact on the profitability or prospects of the Group. Investment risks are those associated with investments made by the Group or the funds managed by it. Operational risks involve the risk of loss resulting from inadequate or failed internal processes, people or systems and external events.

The Group's risk management system is designed to identify a broad range of risks and uncertainties which it believes could adversely impact the profitability or prospects of the Group, and a similar process is undertaken with respect to risks facing funds managed by the Group. As part of this process, ESG-related risks are considered.

The following pages set out the Group's key risks identified and the primary mitigating actions implemented for each risk. These key risks may change over time as some risks assume greater importance and others may become less significant.

The key risks are identified based on the Group's combined assessment of the likelihood and impact of each risk eventuating after the Group's controls and other mitigating actions are taken into account.

Additional risks and uncertainties the Group may face, including those that are not currently known or that the Group currently deems immaterial, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

Risk	Description
Fundraising challenges **Category: Strategic and External**	The current Bridgepoint funds have a finite life and a finite amount of commitments from fund investors. Once a fund nears the end of its investment period, the Group raises additional or successor funds in order to keep making investments and, over the long-term, earn management fees (although funds and investment vehicles continue to earn management fees after the expiration of their investment periods, they generally do so at a reduced rate). Fundraising activities can be affected by a number of factors, including competition for investments or investors (as described below) and general macroeconomic conditions. The Group has a number of new fundraises continuing in 2022, however fundraising markets are more congested than they were earlier in 2021. The inability to raise additional or successor funds (or raise successor funds of a comparable size to predecessor funds), or a change in the terms on which investors are willing to invest, could have a material adverse impact on the Group's business, revenue, net income, cash flows or the ability to retain employees.
Increased competition **Category: Strategic and External**	The investment management industry is intensely competitive, with the Group competing with a number of other persons for investor funds, including sponsors of public and private investment funds, and fundraising markets are currently congested. If market conditions for competing investment products become more favourable and such products begin to offer rates of return superior to those achieved by the Bridgepoint funds, the attractiveness of Bridgepoint funds to investors could decrease. In order to remain attractive the Group may then need to offer fund terms that are less favourable to it than those previously offered. The Group also competes for investment opportunities for the Bridgepoint funds, and such competition is based primarily on the ability to source such investment opportunities, the pricing, terms and structure of a proposed investment and certainty of execution. An increase in competition for either investors or investments could adversely affect the Group's revenue.
Reputational damage **Category: Strategic and External**	There is a risk that factors such as poor fund performance, negative press, insufficient sustainability procedures and overriding of ESG factors by any portfolio company of a Bridgepoint fund, or employees or affiliates thereof, the insolvency, liquidation or bankruptcy of a portfolio company or non-compliance with applicable laws and regulations could lead to fund investor dissatisfaction and a decreased ability or inability by the Group to raise capital for new funds, as well as impair its ability to attract and retain key talent.

Mitigation

Change in risk during FY21

Mitigation	Change in risk during FY21
The Group's capital raising efforts are supported by an in-house global investor services team, which utilises the Group's data and technology capabilities. The Group has made efforts to broaden its investor base, both in terms of the number of investors across the platform and the geographic spread of such investors.	↑
As the leader in middle market investing, the Group offers investors a differentiated approach arising from its global reach and ability to deploy capital across middle market strategies. This insulates the Group, to some extent, against the competitive pressures arising in respect of attracting fund investors. In addition, as mentioned above, the Group has made efforts to broaden its investor base, both in terms of the number of investors across the platform and the geographic spread of such investors, helping to alleviate competitive pressures. In respect of investments, the Group's deal flow is driven by its sector strategy which is continually refined to exploit market conditions, including changes in competitive pressures. The Group's investment approach has evolved through different economic cycles, helping it to resist temporary competitive pressures caused by economic cycles.	–
The Group's investment processes are designed to comply with accepted standards of investment management practice. The Group has an ESG Committee, composed of a cross-section of senior and appropriately experienced professionals operating in various geographies. This committee ensures that senior management gives due consideration and attention to ESG matters.	–

Risk	Description
Fund under-performance **Category: Investment**	In the event that certain of the Bridgepoint funds were to perform unsatisfactorily, in particular if this were the case for a larger Bridgepoint fund (for example the current flagship fund, Bridgepoint Europe VI or its successors), this may adversely affect the Group's business, brand and reputation and lead to difficulties for the Group in attracting fund investors and raising capital for new funds in the future.
Decreased pace or size of investments made by Bridgepoint funds **Category: Investment**	The Group's revenue is driven in part by the pace at which the Bridgepoint funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce the Group's revenue. The market for private equity transactions, for example, has at times been characterised by relatively high prices, which can make the deployment of capital more difficult. In addition, many other factors could cause a decline in the pace of investment, including the inability of the Group's investment professionals to identify attractive investment opportunities, competition for such opportunities among potential acquirers, decreased availability of capital on attractive terms and the failure to consummate identified investment opportunities because of business, regulatory or legal complexities, new regulations, guidance or other actions provided or taken by regulatory authorities or uncertainty and adverse developments in the global economy or financial markets. A failure to deploy committed capital in a timely manner may also have a negative impact on investment performance and the ability to raise new funds.
Personnel and key people **Category: Operational**	The Group's personnel, including its investment professionals and specialist teams, are highly important to the Group's business and its strategy implementation, and the market for such persons is highly competitive. The Group's continued success is therefore dependent upon its ability to retain and motivate its personnel and to strategically recruit, retain and motivate new talented professionals. In particular, the Group depends on the efforts, skill, reputations and business contacts of its executive management and other key senior team members and the information and deal flow they generate during the normal course of their activities.
Information technology and cyber security **Category: Operational**	The Group relies on the secure processing, storage and transmission of confidential and other information in the Bridgepoint computer systems and networks. Cyber-security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Group faces various cyber-security threats on a regular basis, including ongoing cyber-security threats to, and attacks on, information technology infrastructure that are intended to gain access to proprietary information, destroy data or disable or degrade or sabotage the Group's systems. Cyber-security failures, technology failures or data security breaches could result in the confidentiality, integrity or availability of data being negatively affected, or cause disruption to the Group's business.
Inadequate control systems **Category: Operational**	The Group is dependent on an effective control system to mitigate operational risks. For example, the Group is dependent both on it and the Bridgepoint funds having sufficient processes in place to prevent money laundering and other regulatory requirements, and any failures in this regard may result in financial penalties, fund investor claims or rescission rights or loss of fund approvals.

Mitigation	Change in risk during FY21
The Group has in place a robust and disciplined investment process where investments are analysed and selected by the Group's Operating Committees and Investment Advisory Committees. The Portfolio Management Committees regularly monitor investment performance and delivery of investment objectives. Any 'at risk' investments are subject to a detailed review by a Portfolio Working Group. Investment processes not only evaluate and mitigate the risks inherent in particular investments or divestments, but also ensure that all investment decisions are taken in accordance with the relevant fund's investment strategy. The Group limits the extent of market risk by diversifying portfolio assets held within the Bridgepoint funds in terms of sector, size and geography.	–
The rate of investment is kept under review by senior management to ensure that it is maintained at an acceptable level. The Group has ongoing dialogue with its investors and is sensitive to their concerns regarding investment and realisation pace. These concerns are taken into consideration when setting the short and long-term strategy of a fund, and where necessary consent is sought to modify investment periods to align with the pace of investment that is reasonably and responsibly achievable.	–
The Group has competitive reward schemes in place for all employees, with rewards weighted towards performance and long-term alignment with fund investors, driving value for the Group. For senior management, these include a blend of short and long-term incentives. The Group performs ongoing succession planning and invests in leadership development.	↓
The Group has in place an internal vulnerability management programme, as well as critical asset processes to patch critical vulnerabilities. Phishing testing is performed at least quarterly, and penetration testing is undertaken annually. The Group has a disaster recovery plan in place, and all key systems are hosted in the cloud, providing an inherent level of resilience.	–
Senior management is actively engaged in maintaining an appropriate control environment. The effectiveness of the control framework for key business processes is subject to periodic review.	–

Risk	Description
Third-party service providers **Category: Operational**	Certain of the Group's funds and Group activities depend on the services of third-party service providers, including those providing banking and foreign exchange, information technology, insurance broking, depository and alternative investment management services. The Group is subject to the risk of errors and mistakes by such persons, which may be attributed to the Group and subject it or the Bridgepoint funds to reputational damage, penalties or losses.
Increased law and regulation **Category: Operational**	The international nature of the Group's business, with corporate and fund entities located in multiple jurisdictions and a diverse investor base, makes it subject to a wide range of laws and regulations. It is regulated by a number of regulators, including (among others) the Financial Conduct Authority in the UK, the Securities and Exchange Commission in the United States and the *Autorité des Marchés Financiers* in France. Failure to comply with these laws and regulations may put the Group at risk of fines, lawsuits or reputational damage. Changes in laws and regulations can materially impact the Group or the market in which it operates.

Mitigation	Change in risk during the year ended 31 December 2021
The Group ensures appropriate due diligence is undertaken in respect of third-party service providers prior to appointment, and appropriate monitoring and oversight of appointed third-party service providers is undertaken on a periodic basis.	–
The Group conducts regular and ongoing compliance monitoring and is supported by an experienced legal and compliance team. The legal and compliance team has full access to management information and is represented on the Group's executive committee. Employees of the Group are provided with periodic training on the laws and regulations relevant to the Group. Horizon scanning for relevant regulatory and legislative change is a key part of the legal and compliance process and, where appropriate, external advisers are commissioned to support this.	↑

Board of Directors

William Jackson

Executive Chairman

Appointed Managing Partner in 2003 and Executive Chairman in June 2021.

N

Skills and experience

William has worked extensively on private equity transactions across Europe over a 30 year career and has served on numerous boards. As part of his role at Bridgepoint, he is currently President of the Board of Dorna Sports, the international sports management company which runs the MotoGP World Motorcycling Championship and is a Bridgepoint fund portfolio company.

William is also a Non Executive Director of Berkeley Group Plc, the FTSE 100 property company. He is a graduate of Oxford University.

Other significant appointments

Non-Executive Director, The Berkeley Group Holdings plc

Archie Norman

Senior Independent Director

Appointed in June 2021.

A N R

Skills and experience

Archie Norman has a breadth of business experience and an extensive track record in business change, having led the transformation of a number of major UK businesses. He has served on the board of a number of publicly listed companies in the UK and internationally.

He is currently Chairman of Marks and Spencer plc and has held the position of Chairman of ITV plc and of Lazard UK. He has also served as Lead Non-Executive Director at the Department of Business, Energy and Industrial Strategy. Amongst other positions he has held during his career, Archie was Chief Executive and Chairman of ASDA plc and Finance Director of Kingfisher plc. He has been a Non-Executive Director on the Board of British Rail, Railtrack and Geest, and has also served as a Member of Parliament in the House of Commons in the United Kingdom for eight years.

Other significant appointments

Chairman, Marks and Spencer plc

Adam Jones

Chief Financial Officer and Chief Operating Officer

Joined the Group in 2018.

Skills and experience

Prior to Bridgepoint Adam held a number of global CFO roles, including most recently at Pret A Manger and previously All3Media, NBC News in New York and Universal Studios.

Adam started his career with leading accounting and professional services firm PwC and then spent nine years at IMG, the global sports management group in a number of roles up to Senior International Vice President.

Adam has an Honours degree in Accounting from the University of Birmingham.

Key

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair

Board of Directors continued

Angeles Garcia-Poveda

Independent Non-Executive Director

Appointed in June 2021.

N R

Skills and experience

Angeles Garcia-Poveda is an international executive with extensive experience in governance.

She is currently Chairperson of the Board of Legrand SA, the CAC 40 global specialist in electrical and digital building infrastructure, where she has been lead independent director and has chaired the Nominations, Governance and Remuneration committees. She is also an independent director at Edenred, listed in the French SBF 120 index. In her prior career as a partner with Spencer Stuart, she led its French and EMEA businesses and served on the global Board of Directors. She is a member of the Boards Practice and the consumer and private equity practices. She also spent 14 years with The Boston Consulting Group (BCG), where she worked as a consultant in Madrid and Paris.

Other significant appointments

Chairperson of the Board, Legrand SA

Non-Executive Director, Edenred SA

Carolyn McCall DBE

Independent Non-Executive Director

Appointed in July 2021.

A N R

Skills and experience

Carolyn McCall is a seasoned chief executive with a strong track record in value creation and business transformation.

She is currently Chief Executive of ITV plc having been Chief Executive of easyJet for nearly 8 years. She has also held various commercial and management roles at the Guardian Media Group, including CEO of the Guardian and Observer before becoming Group CEO in 2006. In 2016, Carolyn was awarded a Damehood for services to the aviation industry having received an OBE in 2008 for services to women in business. She has been a NED on the Board of Tesco, Lloyds , New Look, and Burberry, where she was Senior Independent Director and has also served on the Business and Energy government Board for 4 years and 3 Prime Minister's Business Council's (2015-2021).

Other significant appointments

Chief Executive, ITV plc

Tim Score

Independent Non-Executive Director

Appointed in June 2021.

A N

Skills and experience

Tim Score has significant experience in the rapidly evolving global technology landscape as well as many years of engagement both with mature economies and emerging markets.

He is Chair of British Land, having been a Non-Executive Director and Chair of its Audit Committee since 2014. He is also the Senior Independent Director, Chair of the Audit Committee and Deputy Chair Designate at Pearson plc. Tim was formerly a Non-Executive Director of HM Treasury and CFO of ARM Holdings plc for 13 years and held senior financial positions at Rebus Group Limited, William Baird plc, LucasVarity plc and BTR plc. From 2005 to 2014, he was a Non-Executive Director and Chair of the Audit Committee at National Express Group PLC, including time as interim Chairman and six years as Senior Independent Director.

Other significant appointments

Chair, The British Land Company plc

Non-Executive Director, Pearson plc

Key

A Audit and Risk Committee

N Nomination Committee

R Remuneration Committee

☐ Committee Chair

Senior Independent Director's Governance Review

Archie Norman

Senior Independent Director

Given Bridgepoint's role as a responsible investor and owner of different classes of investment funds it is important it has a strong and engaged Board with independent mindset to ensure very strong governance. This is even more important given the role of the Executive Chairman. For this reason four experienced Non Executive Directors were appointed at the time of the IPO. Our intention is to further strengthen the non Executive team in the year ahead.

Breadth of Leadership Representation

The Board places great emphasis on both diversity and inclusivity appointments are based on merit with the objective of ensuring an appropriate balance of skills and knowledge.

As at the date of this report, the Board meets the Hampton-Alexander target for female representation, with 33.3 per cent of the Board being women.

Stakeholder Engagement

I and other members of the Board have spent considerable time engaging with stakeholders and the Group's new shareholders in the course of the IPO process and subsequently to help get to know and understand their objectives and opinions. A full review of stakeholder engagement can be found in the Strategic Report on pages 30 to 32.

Non Executive Involvement

We believe a good Board should have a close understanding of the business and be able to act as strategic discussion partner to the Executive team, alongside their governance responsibilities. Therefore, all Non Executives have had an extensive programme of interaction with Executives across the business.

Code Compliance

The Governance Report explains the key features of the Group's governance framework. The Board is committed to maintaining high standards of corporate governance. We have a clear governance structure, which ensures that the Board and the business act responsibly in decision making, risk management and delivery objectives.

The IPO Prospectus indicated that the Company complied with substantially all of the relevant provisions of the Corporate Governance Code at Admission, and the Group has continued to do so throughout the subsequent period. Further details are set out on page 85.

Annual General Meeting

The Company's first AGM is scheduled to take place at 4.00 pm on 12 May 2022 and will be held at the Conrad St James Hotel, 22-28 Broadway, London SW1H OBH. The notice of meeting and related explanatory notes released today contain further details.

Archie Norman
Senior Independent Director

Find out more
www.bridgepoint.eu

On behalf of the Board, I am pleased to present the Group's first Corporate Governance Report since admission to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange on 26 July 2021.

1. Our governance framework

Below is a summary of the Group's governance structure.

Board

Responsible for providing leadership, including setting the Group's purpose, strategy and values, and promoting its long-term sustainable success.

Committees

The Board has established committees to assist it.

Audit and Risk Committee

The Audit and Risk Committee oversees external and internal audits, and the Group's financial reporting and disclosure. It also oversees the Group's risk management framework and system of internal controls.

Nomination Committee

The Nomination Committee evaluates the composition and performance of the Board and senior executive team. It ensures that plans are in place for orderly succession for appointments to the Board and senior management, and considers candidates for Board positions.

Executive Chairman & Executive Committee

A full schedule of matters reserved for the Board is available at bridgepointgroupplc.com

The terms of reference for the Audit and Risk, Remuneration and Nomination Committees are available at bridgepointgroupplc.com

Remuneration Committee

The Remuneration Committee determines the policy for director remuneration, and sets the remuneration of executive directors and senior management.

Disclosure Committee

The Disclosure Committee signs off and approves the release of RNS announcements relating to financial results or other material information. The Disclosure Committee comprises William Jackson, Adam Jones and Archie Norman.

Executive Chairman and Executive Committee

The Board delegates day-to-day responsibility for running the Group to the Executive Chairman. The Executive Chairman is assisted in this by the Executive Committee, which oversees day-to-day operations, and implements the strategy of the Group as determined by the Board.

Culture

The Group has a strong and highly inclusive corporate culture, based on the core values of being performance-driven, thoughtful and straightforward. The Board recognises the contribution of this culture to the success of the business and is satisfied that it is aligned with the Company's purpose, values and strategy. The Board monitors the culture of the Group through periodic updates on people, culture, inclusivity and talent provided by the Head of People, through the regular attendance of members of senior management at Board meetings and through monitoring exercises such as the annual employee engagement survey. No specific corrective action was requested of management during the year.

Conflicts of interest

In accordance with the Company's Articles the Board has a formal system in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation.

In circumstances where a potential conflict arises, the Board (excluding the Director concerned) will consider the situation and either authorise the arrangement in accordance with the Companies Act 2006 and the Company's Articles or take other appropriate action.

All potential conflicts authorised by the Board are recorded in a register, which is maintained by the Company Secretary. Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

2. Board roles and responsibilities

The Board provides entrepreneurial leadership and direction to Bridgepoint. The Board promotes the long-term sustainable success of Bridgepoint, generating value for shareholders and contributing to wider society. The Board is also responsible for oversight of the Group's governance and internal control. A full schedule of matters reserved for the Board is available at www.bridgepointgroupplc.com

Broadly, key executive and non-executive responsibilities are divided as follows:

Executive Chairman	– Leads the Board and is responsible for the overall effectiveness of the Board and its committees – Sets the Board's agenda – Ensures good governance – Promotes a culture of openness and debate on the Board, facilitating effective contribution from non-executive directors – Develops strategies for consideration by the Board, alongside the Group Chief Financial Officer and executive management – Runs the Group on a day-to-day basis and implements the Board's decisions – In conjunction with the Group Chief Financial Officer, represents the Group to external stakeholders – Ensures the Board as a whole has a clear understanding of the views of the Company's shareholders
Group Chief Financial Officer and Chief Operating Officer	– Provides strategic financial leadership to the Group and runs the finance function on a day-to-day basis – Manages the operating platform of the Group – Develops strategies for consideration by the Board, alongside the Executive Chairman and executive management – In conjunction with the Executive Chairman, represents the Group to external stakeholders – Leads the development of annual budgets for Board approval
Senior Independent Director	– Acts as a sounding board for the Executive Chairman – Is available to shareholders if they have concerns about contact with the Executive Chairman or Group Chief Financial Officer through normal channels, or if such contact has failed to resolve the relevant issues – Leads meetings of the non-executive directors at least annually to appraise the Executive Chairman's performance
Non-Executive Directors	– Bring special expertise to the Board – Constructively challenge and hold to account the Executive Directors against agreed performance objectives – Monitor the delivery of the strategy within the risk and control framework set by the Board – Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management systems
Company Secretary	– Responsible for assisting the Board in all governance related matters – Provides support to the Board and its committees, ensuring that it has the resources required to operate effectively – Maintains the books and records of the Group, and prepares minutes of Board meetings

3. Board activities

During the period from Admission until 31 December 2021, the Board met twice and focused on the following key areas:

- regular updates on the performance of each of the Group's strategies and funds, as well as the fundraising process for new funds;
- financial reporting matters and approval of the Group's half-year results update;
- the 2022 budget;
- the long-term strategy of the Group; and
- the calendar of the Board and the committees.

Board meetings have standing agenda items which ensures that key aspects of the business are given due consideration.

The attendance at Board and Committee meetings in 2021 are set out below, along with the number of meetings attended by individual directors, and the total meetings that they were entitled to attend.

Name	Board[1]	Audit and Risk	Remuneration	Nomination
William Jackson	2/2	–	–	1/2
Adam Jones	2/2	–	–	–
Angeles Garcia-Poveda	2/2	–	1/1	2/2
Dame Carolyn McCall	2/2	1/1	1/1	2/2
Archie Norman	2/2	1/1	1/1	2/2
Tim Score	2/2	1/1	–	2/2

1. The total number of board meetings listed is from Admission on 26 July 2021 until 31 December 2021. The Board also met on a number of occasions prior to Admission.

4. Compliance with the Corporate Governance Code

The Company is subject to the 2018 Corporate Governance Code, which is publicly available at www.frc.org.uk. The Company has, from Admission to 31 December 2021, applied the principles of, and complied with the provisions of, the Corporate Governance Code, subject to the exceptions set out below:

- Provision 9 of the Corporate Governance Code recommends that, on appointment, the Chairman of a company should be independent when assessed against the circumstances set out in provision 10, and that the roles of Chairman and Chief Executive should not be exercised by the same individual. William Jackson, as Executive Chairman, combines the roles of Chairman and Chief Executive and was not independent on appointment. As disclosed at the time of the IPO, the Nomination Committee and the Board consider that William Jackson taking on such a role, which is commonplace in the alternative asset management industry, is in the best interests of the Group in order to utilise his proven leadership qualities and significant experience. Furthermore, William Jackson has been engaged with the Group since 2000 and has been "Managing Partner" since 2003, and therefore provides stability and continuity through his detailed understanding of the Group's operations and the sectors in which it operates in the period following Admission. At the time of any future Chief Executive or Chair appointment, it would be considered whether the separation of these roles is appropriate.
- Provision 21 of the Code recommends that a performance evaluation of the Board, its committees, the chair and individual directors should take place annually. Given that the Company has only been listed since 26 July 2021, the Board did not carry out an evaluation prior to 31 December 2021. However, an exercise was undertaken before the IPO to evaluate the skills and experience required from non-executive directors who would complement existing skillsets and also contribute their listed company experience to promote the effectiveness of the Board. The performance evaluation recommended by the Corporate Governance Code will be undertaken during 2022 and will be reported on in next year's Annual Report.

Nomination Committee Report

Archie Norman

Chairman of the Nomination Committee

The Nomination Committee was formed at the time of the IPO in July 2021, and there have been two meetings during the reporting period. In future, the Committee is expected to meet at least twice each year and as necessary to review Board composition. Committee membership is detailed on pages 76 to 79.

In advance of the IPO process, the Group appointed Russell Reynolds to advise on the appointment of the Senior Independent Director and three further independent NEDs. Russell Reynolds has no other connection with the Company or an individual Director. The search process concentrated on independence, diversity and ensuring a combination of skills, including listed company and company experience, to complement the executive members of the Board.

Since the IPO the Nomination Committee has instigated a search to identify and bring on board two further Non Executive Directors to complement further the breadth of expertise and diversity of thinking around the Board table. All members of the Committee are fully engaged with that process.

Archie Norman
Chairman of the Nomination Committee

Find out more
www.bridgepoint.eu

Audit & Risk Committee Report

Tim Score

Tim Score

Chairman of the Audit & Risk Committee

I am pleased to present the report of the Audit and Risk Committee for the year ended 31 December 2021. This report outlines how the Committee discharged the responsibilities delegated to it by the Board since Admission, and the key topics it considered in doing so.

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities related to financial reporting and the internal controls and risk management processes of the business.

The principal responsibilities of the Committee can be summarised as:

- **Financial reporting** – monitoring the integrity and quality of the financial statements of the Company, including any formal announcement relating to financial performance, and reviewing and challenging where necessary major issues regarding accounting principles, policies, practices, judgments and presentations
- **External audit** – oversight of the external auditor, reviewing the effectiveness of the external audit process, making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and developing policy on the engagement of the external auditor to supply non-audit services
- **Internal audit** – considering the need for an internal audit function, making recommendations to the Board on the appointment, re-appointment and removal of the internal auditor, monitoring and reviewing the work performed by the internal auditor, and reviewing effectiveness including its plans and resources
- **Risk management and internal controls** – monitoring the adequacy and effectiveness of the Company's internal controls and risk management systems

Details on activities undertaken by the Committee in relation to each of these areas are contained in the Committee report on the following pages. The primary focus of the Committee since Admission has focused on the financial reporting processes and the first year-end numbers as a listed business. In addition, the Committee has also discussed the need for an internal audit function and agreed a plan for its introduction during the course of 2022.

The Committee met once in the period, and has met twice since the year end, to discuss the financial statements and receive reports from the external auditors.

I am grateful to all members of the Committee for their contributions and I look forward to continuing our work in 2022.

Tim Score
Chairman of the Audit & Risk Committee

Find out more
www.bridgepoint.eu

Committee governance

Meetings

The Committee intends to meet regularly, at least three times a year. In carrying out its duties, the Committee is authorised by the Board to obtain any information it needs from any Director or employee of the Group.

Composition

Since establishment, the Audit and Risk Committee has comprised three independent non-executive Directors, all of whom have financial and/or related business experience due to the senior positions they hold or have held in other listed or publicly traded companies and/or similar large organisations. The Committee possesses a good balance of skills and knowledge, including financial sector experience.

The Chair of the Committee, Tim Score, is the Group's designated financial expert, having recent and relevant financial experience as Chair of the Audit Committee of Pearson plc, and being an Associate Chartered Accountant. He has also previously served as Audit Committee Chair for The British Land Company plc and National Express Group plc. The qualifications and relevant experience of the other Committee members are detailed on pages 76 to 79.

The Group CFO is not a member of the Committee but attends meetings at the invitation of the Chair of the Committee. Mazars LLP, as external auditor, and members of the Group's finance team also regularly attend meetings.

The Committee will meet separately with the external auditor at least twice a year to ensure that they are receiving full cooperation from management and are obtaining all the information they require. The external auditor is able to raise matters directly with the Audit and Risk Committee if they consider that it is desirable to do so. In addition, the Chair of the Committee meets with the external auditor and members of the finance team separately, as appropriate, throughout the year.

Terms of reference

The Committee has formal terms of reference which can be accessed on our website at www.bridgepointgroupplc.com. The terms of reference are reviewed by the Board on a regular basis.

Effectiveness

Due to the short period between Admission and the publication of this Report, a formal evaluation of the performance and effectiveness of the Committee has not fallen due to be carried out. The annual evaluation will be undertaken as part of the overall Board evaluation process during 2022.

Areas of focus in relation to financial reporting

Areas of focus considered by the Committee in relation to financial reporting for the year ended 31 December 2021, and the actions in respect of these matters, are set out in the following table:

Matter	Work undertaken
Alternative performance measures The Group uses a number of alternative performance measures, including but not limited to: – EBITDA; – Underlying EBITDA; – Underlying EBITDA margin; – Underlying FRE; – Underlying FRE margin; – Underlying profit before tax; and – Underlying profit before tax margin A full list can be found on pages 36 and 37.	The Committee discussed the alternative performance measures with the Executive Directors, considering their appropriateness. The Committee was satisfied that the alternative performance measures selected provide useful information to stakeholders, and do not detract from the IFRS measures.
Exceptional items The Group's income statement includes exceptional items which are separately disclosed. The identification of exceptional items involves judgement.	The Committee reviewed the items selected by management for the treatment as exceptional items in the financial statements, which for the year ended 31 December 2021 included IPO costs and items related to the acquisition of EQT Credit. The Committee also reviewed the split of the IPO costs between the income statement and as an issue cost within equity. The Committee was satisfied that the treatment was appropriate and in line with the Group's accounting policies.
Consolidation The Group holds investments in a number of funds, carried interest partnerships and CLOs which it manages. Judgement is required to be exercised in terms of assessing whether these investments are controlled by the Group and therefore need to be consolidated into the Group's financial statements.	The Committee reviewed management's assessment of investments that the Group is deemed to control in accordance with IFRS 10, "Consolidated Financial Statements", and their treatment within the financial statements, which for the year ended 31 December 2021 included consideration of the treatment of CLO 2 and 3, and the Burgundy Investments Holdings LP, which are not consolidated. The Committee concluded that it was satisfied with management's assessment.
Revenue recognition Revenue recognition for the Group's management fees is not complex. The recognition of carried interest and investment income revenue is more complex, and involves estimates and judgment.	The Committee reviewed the recognition of management fees, carried interest and investment income. In particular, the committee reviewed the methodology and process of valuing fund investments and understood the accounting policy over the recognition of earned interest, including the discounts applied to the fair value of unrealised investments. The Committee concluded it was satisfied that revenue had been properly recognised in the financial statements.
Investment valuation The Group's co-investments represent a significant portion of the consolidated balance sheet. As these are mainly unquoted and illiquid, considerable professional judgment is required in determining their valuation.	The Committee reviewed the methodologies used to value the Group's investments in private equity and credit funds, including CLOs, the process and governance over the valuations and the outcome of that process at 31 December 2021. Having challenged the approach taken by management, the Committee was satisfied with the approach taken to valuation at 31 December 2021 and the disclosures made within the financial statements.

Audit & Risk Committee Report continued

Areas of focus in relation to financial reporting continued

Matter	Work undertaken
Effective tax rate The Group is subject to normal full tax rates in the UK. However, its current effective tax rate is lower than the UK statutory tax rate. This is because of timing differences on when the Group's income is taxed and the Group has significant tax losses carried forward in the UK. Taken together these are key drivers in the difference in the rate.	The Committee reviewed the way in which the tax charge for the year had been determined, including the recognition and utilisation of tax losses carried forward and the reconciliation of the effective tax rate to the UK statutory rate. The Committee concluded that it was satisfied with management's approach to the calculation of tax.
Viability statement and going concern The appropriateness of preparing the Group financial statements on a going concern basis, and whether the assessment undertaken by management regarding the Group's long-term viability appropriately reflects the prospects of the Group and covers an appropriate period of time.	The Committee considered whether management's viability statement assessment adequately reflected the Group's principal risks as disclosed on pages 69 to 75, whether the period covered by the statement was reasonable given the strategy of the Group, the risk scenarios selected by management and the environment in which it operates. As a result of the assessment undertaken, the Committee was satisfied with the approach taken for the viability assessment and that the going concern basis of preparation is appropriate.
Annual Report Under the Corporate Governance Code, the Board should establish arrangements to ensure the Annual Report presents a fair, balanced and understandable assessment of the Group's position and prospects.	The Committee was provided with drafts of the Annual Report and provided feedback on areas where further clarity or information was required to provide a complete picture of the Group's performance. The Committee members were also provided with the final draft for review as part of the final sign-off.

External and internal audit

External Audit

Mazars LLP was appointed as the Group's external auditor for the audit of the year ended 31 December 2021. PricewaterhouseCoopers LLP had previously held the role as auditor but were unable to continue due to independence restrictions following the IPO.

The Committee's responsibilities include making a recommendation on the appointment, re-appointment and removal of the external auditor and overseeing their effectiveness and independence.

The Committee discussed and agreed the scope of the audit prior to it commencing. This included a review of the:

- audit scope and approach, including the entities that would be in the scope of the audit for the consolidated financial statements;
- timeline for the audit, including the audit of subsidiary companies;
- external auditor's view of significant and enhanced risks of misstatement in the financial statements;
- materiality levels used to plan and perform audit testing;
- key audit matters and other judgement areas within the financial statements; and
- engagement terms, including the proposed audit fees.

The Committee subsequently reviewed reports from the external auditor setting out the status of:

- the review of predecessor working papers;
- interim audit testing, including a review of technical accounting matters and areas of estimates and judgements;
- final audit testing, including conclusions in respect of the adequacy of disclosures within the financial statements;
- unadjusted misstatements that they had found in the course of their work, which were immaterial.; and
- work performed over the Directors viability and going concern statements.

The Committee has reviewed the audit process and the quality and experience of the audit team engaged in the audit, and has also considered the extent and nature of challenge demonstrated by the external auditor in its work and interactions with management. The Committee has considered the objectivity of the auditor including the nature of other work undertaken for the Group as set out below.

Non-audit services provided by the external auditor

Mazars LLP is primarily engaged to carry out statutory audit work. There may be other services where the external auditor is considered to be the most suitable supplier by reference to its skills and experience. A policy is in place for the provision of non-audit services by the external auditor, to ensure that the provision of such services does not impair the external auditors' independence or objectivity, in accordance with the FRC's Revised Ethical Standard.

Total fees for non-audit services amounted to £0.1m, which represents 7.7 per cent. of the total Group audit fees payable for the year ended 31 December 2021. Details of all fees charged by the external auditor during the year are set out on pages 142 and 143.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 ("the Order")

Mazars LLP was first appointed as statutory auditor of the Company following a competitive tender process, and the Company confirms its compliance with the Order. Any recommendation by the Audit Committee in relation to the (re-) appointment of the statutory auditors will take account of the statutory auditor's skills, experience and performance and the value for money offered.

Internal Audit

During the period, the Committee considered the need for an internal audit function and took the decision with management to tender for an outsourced provider. The tender process is currently underway with a plan to appoint a firm shortly. The internal audit providers will be accountable to the Audit and Risk Committee and will use a risk-based approach to provide independent assurance over the adequacy and effectiveness of the control environment.

The internal audit plan for 2022 will be approved by the Audit and Risk Committee during the first half of 2022 with work commencing during the second half of the year. It will cover a broad range of core financial and operational processes and controls, focusing on specific risk areas.

Risk management and internal controls

Details of the Group's risk management process and the management and mitigation of key risks can be found on pages 69 to 75.

The Board, through the Committee, has carried out a review of the principal risks facing the Group and agreed with how they have been represented within the annual report.

A significant amount of activity was undertaken prior to the IPO to enhance the Group's control environment, particularly in relation to the financial reporting processes. As part of this activity, additional resources were brought into the finance team. As part of its agenda, the Committee reviewed the adequacy of resources of the finance team and is satisfied on the executed plans to increase the depth and skill set of the team to support a listed business.

As part of its agenda going forwards, the Committee will receive reports from management on the principal risks and responses to managing those risks.

Remuneration Committee Report

Angeles Garcia-Poveda

Angeles Garcia-Poveda

Chair of the Remuneration Committee

Chair's Statement

It was a pleasure to join the Bridgepoint Board of Directors last Summer and I am pleased to present the first Report on Directors' Remuneration since our Admission to the London Stock Exchange on 26 July 2021. This Report includes our first Directors' Remuneration Policy which will be subject to approval from our shareholders at the 2022 Annual General Meeting.

Philosophy of Incentives at Bridgepoint

At Bridgepoint, we firmly believe that our people are our greatest asset. This is echoed not just in the way that we conduct our business, but also in how we value and reward our employees. From the recruitment of diverse and talented professionals who exhibit a passion for performance and drive, to the development of our staff through hands-on learning and extensive training, we strive to foster a collaborative and inclusive environment.

Since the creation of Bridgepoint, our unique culture has always been reflected in our ownership and remuneration structures which recognise and reward performance whilst providing strong alignment. Discretionary bonus structures are aligned with individual and company performance and are paid in addition to market competitive salary and benefits. Employee share ownership, which currently accounts for over 50% of our issued share capital, was reinforced at the time of IPO, when the firm made a one-off gift of shares to every employee who was not already a shareholder.

Bridgepoint's listing on the London Stock Exchange in July 2021 marks an exciting new phase in the Company's journey. As we move forward into the post-IPO environment, it is essential that our Remuneration policies and structures continue to support our culture, which has been fundamental to our success to date. The Committee is currently considering how our share plans (which were newly established upon listing) can support our continued growth and success.

Separately, certain Executives across the firm participate in carried interest schemes linked solely to fund performance, which is not remuneration.

Summary of the Directors' Remuneration Policy

In developing the Remuneration Policy, the Committee has considered both external guidance and factors specific to Bridgepoint, including those specific to the private equity/credit industry. Full details on the Remuneration Policy are set out on pages 94 to 100 and this will be put forward for shareholder approval under Resolution 2 .

Our Remuneration Policy aims to reflect both our internal culture of share ownership and rewards for strong performance (a partnership ethos), alignment with our clients as well as our shareholders and reflecting best practice within our regulatory framework.

Our two Executive Directors have a simple remuneration structure operated within the policy framework. In each case, their remuneration structure has been adapted to take account of their individual roles within Bridgepoint.

Find out more
www.bridgepoint.eu

William Jackson, as Executive Chairman, will be paid a salary, ancillary benefits and pension allowance at the same rate as the rest of our UK colleagues (10% of salary up to a notional salary cap of £112,500) but will not participate in any variable pay arrangements. This recognises the substantial inherent alignment with the Group through his shareholding, and that as Chair of the business it is best practice not to receive performance-related pay.

In the case of our Chief Financial Officer, Adam Jones, he will receive a salary of £500,000, ancillary benefits and pension aligned with the rest of our UK colleagues. Adam will participate in our variable pay arrangements, with maximum bonus opportunity of 50% of salary, and annual Restricted Share Awards of 50% of salary.

Full details of the operation of these plans, and other components of remuneration for the Executive Directors is set out on pages 102 to 105 of the Annual Report on Remuneration.

In electing to operate a Restricted Share Plan, the Committee was mindful of the strong capital-building culture at Bridgepoint and our long-term investment focus. However, the Committee is also conscious of the need to avoid delivering rewards if performance is poor, and therefore an underpin will be applied at each vesting, requiring that the Committee consider the financial performance of the business over the three year vesting period, to satisfy itself that there have been no issues that result in material reputational damage to the Group.

The full Directors' Remuneration Policy can be found on pages 94 to 100.

The Committee has carefully selected measures for eligible Executive Director bonuses in 2022, to ensure that they align with Company strategic objectives. They will include 70% financial/30% non-financial criteria. Financial performance criteria will be based on EBITDA, growth in commitments and capital deployed. Non-financial metrics will be a split equally into People/ESG and Strategic initiatives. These bonus measures would apply for any future Executive Directors.

Remuneration payable to the Executive Directors in respect of FY21

The Annual Report on Remuneration sets out the remuneration outcomes for the Directors for the year. Focusing on the period since our Admission on 26 July 2021, the Executive Directors received only fixed salary, benefits and pension over the time since Admission to 31 December 2021.

Prior to Admission, the Executive Directors received a discretionary cash bonus which related to performance prior to the IPO, and not in respect of qualifying services post IPO.

Non-Executive Director Arrangements

The Non-Executive Directors receive a base fee of £75,000 in respect of their services to the Company, together with supplementary fees in respect of carrying out the roles of Senior Independent Director and Chairs of the Audit and Risk and Remuneration Committees.

On appointment, those Non-Executive Directors who joined the business prior to IPO were awarded an initial fee in order to allow them to buy shares in Bridgepoint and hold a stake in the business. These fees were detailed in the IPO Prospectus. They were paid to the four individuals who agreed to join the Board in recognition of the work undertaken in advance of Admission of the Company's shares to the London Stock Exchange. This related to preparing the Company's Board, its committee structures and their processes for a listed company environment and ensured that the Company secured the services of these individuals prior to Admission. The shares acquired by them must be held for at least three years from Admission, or one year from leaving (if sooner). This arrangement applied only to those Non-Executive Directors who joined prior to the IPO, and no further initial fees will be paid to incoming Non-Executive Directors.

Conclusion

On behalf of the Committee thank you for reading this report and we look forward to receiving your support at the AGM on 12 May in relation to the pay-related Resolutions 2 and 3.

Angeles Garcia-Poveda
Chair of the Remuneration Committee

Annual Report on Remuneration

Directors' Remuneration Policy

This section sets out Bridgepoint's first Directors' Remuneration Policy (the 'Policy') which has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations. This Policy applied immediately following Admission and will be subject to a binding vote at the 2022 AGM. Subject to shareholder approval, it is intended to apply for the next three years, however if substantive changes are to be made, it will be put back to shareholders for reapproval.

Following the 2022 AGM, payments to Directors can only be made if they are consistent with the shareholder approved policy or amendment to the policy.

The Policy has been designed to encourage long-term, sustainable growth and provide Executive Directors with competitive overall remuneration for the achievement of stretching performance targets aligned to delivering the business strategy.

The Policy has been tested against the six factors listed in Provision 40 of the Corporate Governance Code:

- **Clarity:** the policy is as clear as possible and full details are described in straightforward concise terms to shareholders and the workforce.
- **Simplicity:** remuneration structures are as simple as possible and are market typical, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance and strategy and minimising the risk of rewarding failure.
- **Risk:** the remuneration policy has been shaped to discourage inappropriate risk taking.
- **Predictability:** elements of the policy are subject to caps and dilution limits. The Remuneration Committee may exercise its discretion to adjust Directors' remuneration if a formula-driven incentive pay-out is inappropriate in the circumstances.
- **Proportionality:** there is a sensible balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance. Incentive plans are subject to performance conditions that consider both financial and non-financial performance linked to strategy, and outcomes will not reward poor performance.
- **Alignment to culture:** the Remuneration Committee will consider company culture and wider workforce policies when shaping and developing Executive Director remuneration policies to ensure that there is coherence across the organisation. There will be a strong emphasis on the fairness of remuneration outcomes across the workforce.

Directors' Remuneration Policy Table

Pay element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Base salary			
To help recruit, reward and retain talent of the calibre and experience required to deliver Bridgepoint's strategy. Base salaries are to reflect market value of the role and an individual's experience, performance, and contribution.	Salaries are reviewed annually, and any changes will normally be effective from the beginning of the financial year. The review will consider several factors, including but not limited to: – The Director's role, experience and skills; – The remuneration policies, practices and philosophy of Bridgepoint; – Pay conditions within Bridgepoint; – Market data for similar roles and comparable companies; and – The economic environment.	Having been set based on these relevant factors, base salaries will normally increase no higher than the average increase made to the wider workforce. Higher increases may be permitted where appropriate, for example where there is a change to the role or there is additional responsibility or complexity, or if the initial salary was set at a below market level on appointment.	None
Benefits			
To provide market competitive benefits and to support the health and wellbeing of Executive Directors.	The Executive Directors are to be provided with benefits which include private medical, group income protection and life assurance. The Remuneration Committee retains the discretion to be able to provide other benefits including (but not limited to) relocation expenses, tax equalisation and support in meeting specific costs incurred by Executive Directors. Any reasonable business-related expenses can be reimbursed, including the tax thereon if determined to be a taxable benefit. The Remuneration Committee reviews benefit eligibility and cost periodically.	The maximum will be set at the cost of providing the benefits described.	None
Pensions			
To provide market-competitive retirement benefits.	Contribution to the Group Pension Plan or a cash allowance in lieu of pension.	Pension contribution rate in line with rate applicable for the majority of the workforce in the country where the individual is based. The rate in the UK is currently 10% of salary, up to a notional salary of £112,500.	None

Annual Report on Remuneration continued

Pay element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
Annual Bonus			
To encourage the improved financial and non-financial performance of the business and to align the interests of Executive Directors with shareholders though the partial deferral of payment into shares.	The Remuneration Committee will determine the Annual Bonus payable to Executive Directors after the year-end based on performance against targets during the year. Any bonus amounts in excess of 25% of salary will be subject to 50% deferral into shares which will vest after three years. All other amounts will be paid upfront in cash following the end of the performance period. Certain amounts will be deferred into the Deferred Bonus Plan with vesting of the shares being subject to continued employment. These shares accrue dividends over the vesting period. Malus and clawback provisions apply. The Remuneration Committee has the discretion to adjust the formulaic Annual Bonus outcome if the Remuneration Committee believes that the outcome is not a fair and accurate reflection of business performance. William Jackson, as Executive Chair, will not receive an Annual Bonus award.	The overall maximum Annual Bonus opportunity under the Policy is 200% of salary.	Annual Bonus pay-outs are determined based on the satisfaction of a range of key financial and strategic objectives set by the Remuneration Committee. The majority of the performance measures will be based on financial performance. Performance measures will be set each year in line with the Bridgepoint strategy. No more than 25% of the Annual Bonus will be payable for delivering threshold performance and no more than 50% will be payable for delivering a target level of performance (where the nature of the performance metric allows such an approach).
Restricted Share Plan ('RSP')			
The RSP provides a simple structure which aligns the interest of Executive Directors to shareholders by increasing share ownership and promoting long-term value creation.	Annual award of Bridgepoint shares which are subject to a performance underpin. The performance against the underpin will be assessed by the Remuneration Committee and will consider both the financial and non-financial performance of the business. These shares accrue dividends over the vesting period. An additional holding period of two years will apply following vesting. Upon vesting, sufficient shares may be sold to pay taxes on the shares. Malus and clawback provisions apply. William Jackson, as Executive Chair will not receive RSP awards.	The maximum annual award level will be 100% of salary.	Awards vest subject to achievement of suitable financial and non-financial performance against the performance underpin. The performance underpin will consider a range of financial/non-financial criteria to determine the overall performance and health of the business. The Committee will assess whether any actions (or failure to act) have occurred that resulted in significant reputational damage during the 3-year period until vesting.

Pay element and purpose	Operation	Opportunity	Performance metrics, weighting and assessment
All-employee share plans			
To provide alignment of group employees to shareholders, and to promote share ownership.	If a broad based "all-employee" share plan is operated in the future, then Executive Directors will be eligible to participate on the same basis that is made available to employees based in the same country.	The limit that will apply to employees under the plan or plans based in the same country as the Executive Director.	Performance metrics may be attached to the operation of the plan and if that is the case then they will operate for Executive Directors in the same manner in which they operate for employees based in the same country.
Shareholding requirement			
To promote Executive Director share ownership and to align Executive Directors to the interests of shareholders both during employment and the period following.	**During employment** Executive Directors are required to build up and retain a shareholding equivalent to 300% of their base salary. Until the shareholding requirement is met, Executive Directors will be required to retain 50% of the net of tax shares they receive under any incentive plan. **Post-employment** Any Executive Director leaving Bridgepoint will be expected to retain the lower of the shares held at cessation of employment that count towards this limit and shares to the value of 300% of salary for a period of two years. The Executive Director is able to elect that any shares personally held count towards this limit whilst in and post-employment.	300% of salary.	None
Non-Executive Directors			
To enable the recruitment of high-calibre Non-Executive Directors with the appropriate skills and experience to support the long-term success of the business.	Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and as Chair of Board Committees (or to reflect other additional responsibilities including being a member of a Committee and/or additional/unforeseen time commitments). Any future Non-Executive Chair of the Board would receive an all-inclusive fee. No Non-Executive Directors (or any future Non-Executive Chair) participate in any incentive plans.	The fee for a future Non-Executive Chair of the Board would be set by the Remuneration Committee and the Non-Executive Directors' fees are set by the Board (excluding the Non-Executive Directors). In general, base fee level increases will be in line with any rise in salaries for the rest of the workforce. Fees for additional responsibilities will reflect the time and responsibility involved in performing those duties. Bridgepoint will reimburse any reasonable expenses incurred (and related tax if applicable). The aggregate limit on Non-Executive Directors' fees is set in line with the Articles of Association of the Company.	None

Notes to the Remuneration Policy table

Choice of performance measures

Each year the Remuneration Committee will select performance measures for the Annual Bonus which support the business strategy and link to the key performance indicators.

The performance underpin aims to provide the Remuneration Committee with the appropriate flexibility to consider a range of factors which indicate the financial and non-financial performance of the Executive Directors and Bridgepoint.

Remuneration Committee discretion

The Committee retains the right to apply discretion in operating the Annual Bonus and RSP and, in particular, to adjust the formulaic outcome of the annual bonus or the RSP to the extent it judges that the outcomes do not align with results achieved, or in light of unexpected or unforeseen circumstances. Where discretion has been applied this will be disclosed within our Annual Report on Remuneration. The Committee also has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, in the best interests of the Company, and disproportionate to seek or await shareholder approval.

Malus and clawback

In line with the Corporate Governance Code and FCA regulatory requirements variable remuneration, both the Annual Bonus and RSP, are subject to malus and clawback. The Remuneration Committee may apply malus and/or clawback where:

1. Bridgepoint materially misstated its financial results for any reason and that misstatement of results has resulted in or has impacted the grant or outcome of variable remuneration;
2. any performance condition and/or any other condition is satisfied based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in variable remuneration being granted or vesting to a materially greater extent than would have been the case had that error not been made;
3. circumstances arose (or continued to arise) during the vesting period which would have warranted the summary dismissal of the individual;
4. any other circumstances have arisen that in the sole opinion of the Remuneration Committee have (or would have if made public) a significant impact on the reputation of any Group company or the business in which the holder of the variable remuneration is employed; and/or
5. there has been a material failure of risk management or corporate failure.

The period during which the Remuneration Committee will be entitled to apply the Clawback provisions will be determined by the Remuneration Committee at grant (and in the absence of any other determination by the Remuneration Committee shall be two years from the date of vesting). The malus provisions shall apply for the vesting periods of the RSP Awards.

Note that these provisions are in addition to the performance underpin which applies to the RSP.

Consideration of employment conditions elsewhere in the Group

Bridgepoint provides market competitive levels of fixed and variable remuneration which are reflective of the roles, responsibilities, experience, skills, and performance of the individual in compliance with the UK FCA's Investment Firms Prudential Regime ("IFPR") Remuneration Code and the Equality Act 2010. The reward philosophy applies to all levels of the business.

When developing the Policy, the Remuneration Committee considered the general workforce remuneration, related policies, and the alignment of incentives and rewards with Bridgepoint's culture and values. The Committee receives regular updates on any changes to the wider Bridgepoint Remuneration Framework.

The Board actively engages with colleagues through a variety of channels, including town hall briefings, videos, team meetings and conferences. On an annual basis the Group conducts an employee engagement survey to obtain feedback from employees. Further details on our colleague engagement can be found on page 31.

Consideration of shareholder views

The Policy has been developed mindful of market best practice and the expectations of shareholders and proxy voting agencies. The Committee will consult with shareholders, where considered appropriate, regarding changes to the operation of the Policy or when the Policy is being reviewed and brought to shareholders for approval. Additionally, the Committee will consider specific concerns or matters raised at any time by shareholders on remuneration.

Legacy arrangements

For the avoidance of doubt, in approving the new Policy, authority is given to the Directors to honour any commitments previously entered into with current or former Directors that have been disclosed previously to shareholders.

Recruitment policy

When setting remuneration packages for new Executive Directors, remuneration will be set in line with the Policy as set out above. A number of factors will be considered, which include but are not limited to the geography in which the role competes or is recruited from, the candidate's experience and skills, and the remuneration levels of other Executive Directors and colleagues within the business. The Committee is mindful of the need to ensure that no more than is necessary is being paid to recruit the desired candidate.

Remuneration element	Policy
Salary	Base salary would be set at an appropriate level considering the factors set out in the Policy table.
Relocation	If an Executive Director needs to relocate in order to take up the role, the Company may pay to cover the costs of relocation including (but not limited to) actual relocation costs, temporary accommodation and travel expenses and tax thereon.
Buy-out awards	For external appointments, the Remuneration Committee may (where considered appropriate) provide a buy-out award equivalent to the value of any outstanding incentive awards that will be forfeited on cessation of previous employment. To the extent possible, the buy-out award will be made on a like-for-like basis. The award will consider the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting and the nature of the awards (cash or equity). Any such buy-out award may be granted under the RSP or the provision available under the FCA's Listing Rule 9.4.2 to enable awards to be made outside the RSP in exceptional circumstances.
Annual Bonus	Joiners may receive a prorated Annual Bonus based on their employment as a proportion of the financial year and targets may be different to those set for other Executives.
RSP	Grants will be set in line with the Policy in the year of joining.
Other elements	Benefits and pension will be set in line with the Policy.
Internal appointment to the Board	When existing employees are promoted to the Board, the above policy will apply, from the point where they are appointed to the Board and not retrospectively. In addition, any existing awards will be honoured and form part of ongoing remuneration arrangements.
Non-Executive Directors	Fees will be in line with the Remuneration Policy and the fees provided for the other Non-Executive Directors.

Service Agreements and Letters of Appointment

Executive Directors

The Executive Directors have service contracts requiring 12 months' notice of termination from either party as shown below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual
William Jackson	25 June 2021	21 June 2021	12 months	12 months
Adam Jones	25 June 2021	21 June 2021	12 months	12 months

The Executive Directors' service contracts do not allow for termination provisions which would result in a reward for failure, and allow for the policy on termination of Executive Directors to be fully enforceable. The treatment of the various elements of pay on termination are summarised below.

Annual Report on Remuneration continued

Remuneration element	Treatment
Salary, benefits and pension	– If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period. The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. Bridgepoint may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role.
Annual incentive	– Good Leavers will still be eligible to receive an Annual Bonus pay-out at the usual time with performance measured in the normal manner. The Annual Bonus will typically be pro-rated for service during the financial year. Good Leavers will include where the individual leaves as a result of injury, ill-health or disability, redundancy or retirement (in each case, as determined by the Committee) and death. The Committee also retains an overall discretion to determine that an individual be treated as a Good Leaver. – Bad leavers will not be eligible to receive an Annual Bonus and will lose any amounts subject to deferral within the Deferred Bonus Plan.
Restricted Shares	– Awards are forfeited on cessation of employment save for "Good Leavers" (awards are normally scaled back pro rata to the proportion of the vesting period served). The Committee will have the ability to allow the awards to vest in full subject to performance against the performance underpin but with no time pro-rating, in exceptional circumstances. – Shares subject to a holding period will be released in line with the normal schedule.

Non-Executive Directors

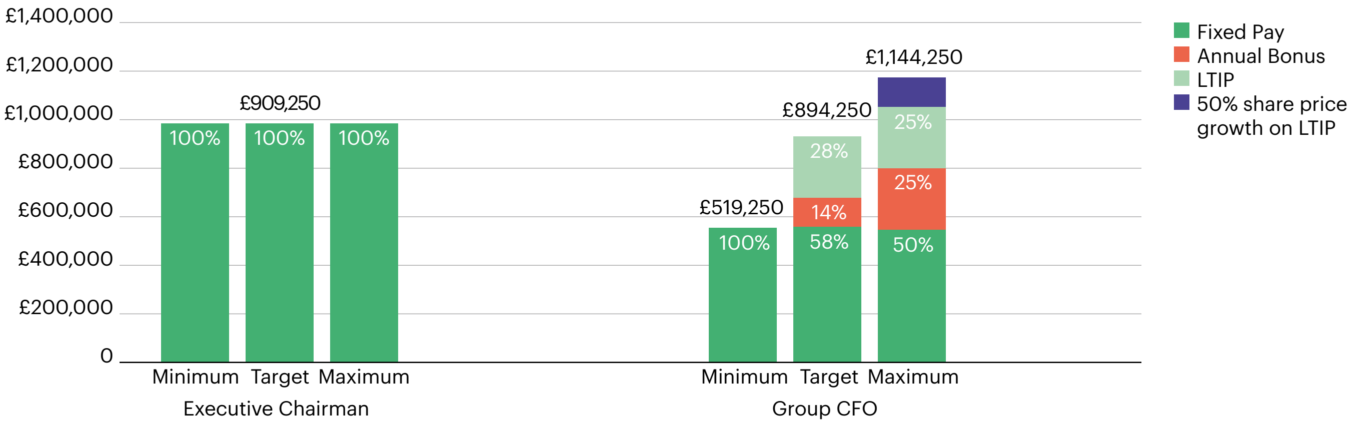
Non-Executive Directors	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual
Angeles Garcia-Poveda	25 June 2021	21 June 2021	3 months	3 months
Dame Carolyn McCall	12 July 2021	22 June 2021	3 months	3 months
Archie Norman	25 June 2021	21 June 2021	3 months	3 months
Tim Score	25 June 2021	21 June 2021	3 months	3 months

Scenario chart

The chart below provides an illustration of the level of total annual remuneration that would be received by each Executive Director under the operation of the Remuneration Policy at: i) minimum performance, ii) target performance and iii) maximum performance. The three performance scenarios assume the following:

6. **Minimum** – only fixed pay is awarded as the RSP underpin reduces the RSP award to zero and no Annual Bonus is payable
7. **Target** – fixed pay, plus 100% of the RSP and 50% of the maximum Annual Bonus
8. **Maximum** – fixed pay, plus 100% of the RSP and the maximum Annual Bonus

Fixed pay includes illustrative benefits amount of £8,000 for each Executive Director. The maximum scenario includes an additional element to represent 50% share price growth on the RSP award from the date of grant to vesting.



This section of the Annual Report describes the operation of the Remuneration Policy.

Remuneration Committee

Roles and responsibility

The Role of the Remuneration Committee is to determine and establish a remuneration policy for the Executive Directors and Executive Committee and to oversee the remuneration packages for those individuals. When determining remuneration arrangements, the Committee must review remuneration across the whole Group and the alignment of incentives and rewards with culture and take these into account when determining remuneration of the Executive Directors and Executive Committee. Further details on the roles and responsibilities of the Committee are disclosed in the Terms of Reference which can be found on the Company's corporate website.

The Remuneration Committee is responsible for:

- Determining and developing the remuneration policy which applies to the Executive Chairman of the Board, other Executive Directors, members of senior management, and any other employee of the group who the Committee is required by regulations to oversee.
- Determining the individual remuneration packages of the Directors and relevant senior employees within the terms of the agreed Remuneration Policy.
- Monitoring the remuneration structures and overall levels of remuneration of the Group's senior management and making recommendations to the Board where appropriate.
- Overseeing the remuneration of the wider Bridgepoint team and ensuring that our policy for the senior team is consistently structured.
- Overseeing the operation of the Group's employee share schemes

Remuneration Committee members and meetings

The Remuneration Committee was established shortly prior to Admission. The Committee currently comprises the three independent Non-Executive Directors listed below. The Remuneration Committee Chair, Angeles Garcia-Poveda, has 7 years' of experience chairing other remuneration committees. The Committee will meet at least three times a year. The membership of the Committee is expected to change as new Non-Executive Directors are appointed in 2022 allowing Dame Carolyn McCall to step down from the Committee.

Committee Chair	Angeles Garcia-Poveda
Committee Member	Archie Norman
Committee Member	Dame Carolyn McCall

Following Admission, the Committee met formally in December. At this meeting the Remuneration Policy and how it would operate for 2022 were considered and approved by the Committee. Prior to this, the Committee met a number of times informally to discuss and provide input to management on proposals.

Key activities during the year

Over the period since it was constituted, the Committee has carried out the following activities:

- Approved the new Remuneration Policy and certain elements of its operation effective from Admission, such as the base salary levels for the Executive Directors;
- Considered the operation of the Annual Bonus and Restricted Shares for 2022;
- Received briefings on the operation of remuneration arrangements throughout the Group; and
- Planned the cycle of work for 2022.

In addition, the members of the Committee held a number of introductory meetings with key members of the firm as well as office visits, where possible given the travel restrictions.

External Advisers

The Remuneration Committee receives independent advice from Korn Ferry, Executive Pay & Governance division, who were appointed pre-IPO in 2021 following a tender process. During the year, the Committee received advice prior to listing on the new remuneration policy, its operation immediately following listing and into 2022 and the drafting of this report. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the code. The fees for the advice provided from Admission to 31 December 2021 were £65,790. Other than Remuneration Consultancy, Korn Ferry provided no other advice or services to the Company during the year.

Audited information

Total remuneration payable for the year to 31 December 2021

The following table sets out the total remuneration for the Executive Directors and the Non-Executive Directors for the year ended 31 December 2021. This comprises, for the Executive Directors, the total remuneration received over the full year from 1 January 2021 to 31 December 2021, including remuneration received from the Group prior to Admission on 26 July 2021 for work prior to the IPO. No prior year comparison has been provided as the company was not listed at that time.

All figures shown in £000	Salary and fees	Taxable Benefits	Pension	Bonus Pre-Admission	RSP	Other	Total Fixed Remuneration	Total Variable Remuneration	NED Admission Fees[1]	Legacy Share Allocation (Pre-Admission)	Total
William Jackson	798.8	5.6[2]	9.9[3]	630.0[4]	–	72.0[5]	814.3	702.0		84.8[5]	1,601.1
Adam Jones	415.6	11.7[2]	9.9[3]	292.5[4]	–	28.8[5]	437.2	321.3		33.9[5]	792.4
Angeles Garcia-Poveda	41.0[1]	–	–	–	–		41.0	–	500.0		541.0
Archie Norman	86.4[1]	–	–	–	–		86.4	–	1,750.0		1,836.4
Dame Carolyn McCall	32.3[1]	–	–	–	–		32.3	–	500.0		532.3
Tim Score	41.0[1]	–	–	–	–		41.0	–	500.0		541.0

Notes to the table

1. Non-Executive Directors fees are shown from the date of appointment. Each of the Non-Executive Directors' received a pre-Admission fee. Each Non-Executive Director used the post-tax amount of this fee to acquire shares in the Company, which must be held for at least three years from Admission, or one year from leaving (if sooner).
2. Executive Directors receive family private medical insurance, Life Insurance and Income Protection. William Jackson also participates in a legacy spouses pension arrangement
3. Executive Directors have elected to receive an allowance in lieu of pension
4. William Jackson and Adam Jones received cash bonuses prior to Admission. These amounts related to performance prior to the IPO. No further bonuses were paid in relation to the 2021 financial year.
5. Prior to Admission, certain employees including the Executive Directors were given the opportunity to purchase shares in the Company. The difference between the value and the price paid gave rise to an income tax liability that was settled by the Company and is included here alongside the value of the shares less amounts paid to purchase them. These shares are subject to a vesting and holding period until July 2026.

Annual Bonus Plan

Prior to Admission, the Executive Directors received bonuses in line with normal practice. The amount of bonus payable was determined by the Remuneration Committee of the unlisted company on a discretionary basis.

Restricted Share Plan (RSP) vesting during the year

There are no awards under the RSP which vested during the year or are due to vest based on performance to 31 December 2021.

Incentive Awards granted during the year

No RSP awards were granted during the year. Prior to Admission, on 7 June 2021 William Jackson and Adam Jones accepted the invitation to purchase shares under legacy share purchase arrangements which converted into Bridgepoint shares. The awards contained a number of restrictions, including the requirement to sell the shares for nominal value if they leave the Company in certain circumstances (as a bad leaver) within five years from the date of their issue. The remuneration value of these shares are shown in the Single Figure table above since they do not have any other performance conditions attached.

Payments to former Directors and for loss of office

No payments were made to former Directors of the Company or in relation to loss of office during the year.

Directors' interests

The interests of the Directors and their connected persons in the shares in the Company as at 31 December 2021 is set out below. Since 31 December 2021 there have been no changes in the Directors' interest in shares.

Director	Shares held outright at 31 December 2021	Vested shares subject to holding period	Unvested shares subject to holding period	Shareholding requirement (% of salary)	Requirement met[1]
William Jackson[2]	-	10,630,980	5,711,050	300%	Yes
Adam Jones[2]	-		4,222,994	300%	Yes
Angeles Garcia-Poveda	94,286				
Dame Carolyn McCall	75,714				
Archie Norman	275,000				
Tim Score	75,714				

1. Based on closing share price on 31 December 2021 of £4.93 per share.
2. Including shares held by connected persons, but excluding shares held by Burgundy Investments Holdings LP

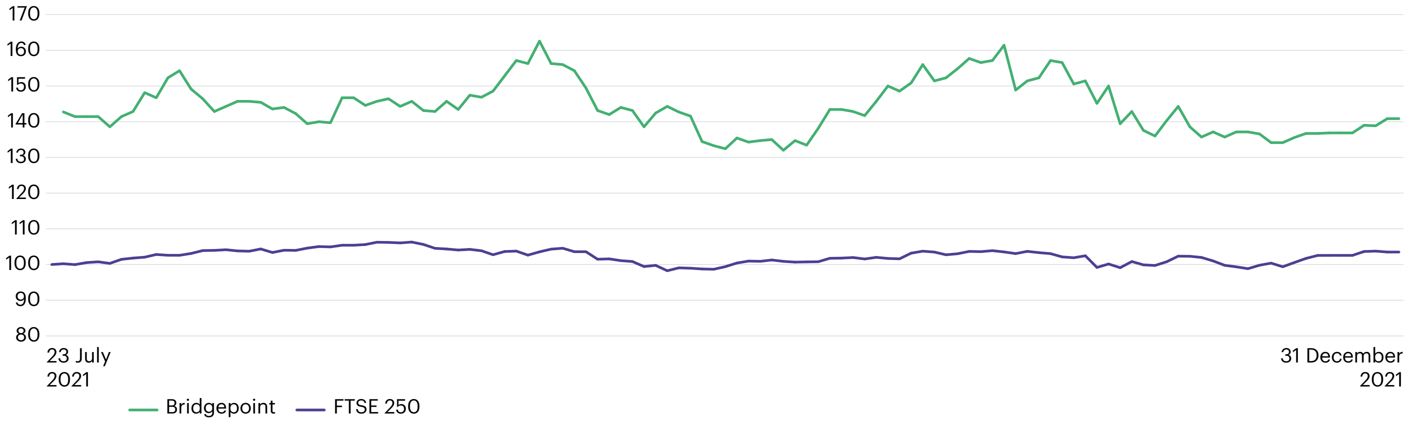
During employment, Executive Directors are required to build and maintain a shareholding equivalent to 300% of their base salary. The shareholdings of the Executive Chairman and CFO on Admission exceed this requirement significantly.

Post-cessation of employment, Executive Directors must retain shares to the value of 300% of salary (or the number of shares held at cessation if lower than 300%) for a period of two years in accordance with the Remuneration Policy.

William Jackson and Adam Jones purchased shares under legacy share purchase arrangements in June 2021 which will have to be sold for nominal consideration if they leave employment prior to various dates that end in July 2026.

Performance graph and table

Bridgepoint Group plc shares began unconditional trading on the London Stock Exchange's main market on 26 July 2021. The chart below shows the Total Shareholder Return performance of £100 invested in Bridgepoint from 26 July to 31 December 2021 against the FTSE250 index. The FTSE250 index is considered an appropriate comparison as Bridgepoint is a constituent of the index.



	2021
Executive Chairman single figure total remuneration (£000s)	1,601.1
Bonus as a % of maximum opportunity	N/A
Long-term incentive vesting (as % of maximum opportunity)	N/A

Figures reflect remuneration to 31 December 2021. No Long-term incentives have been granted or bonuses awarded under the Directors Remuneration Policy to date. Prior to Admission, the Executive Directors received bonuses in line with normal practice. The amount of bonus payable was determined by the Remuneration Committee of the unlisted company on a discretionary basis.

Change in director and employee remuneration

As Bridgepoint only listed on 26 July 2021, there is no comparable remuneration to disclose for the prior year. Full disclosure on the percentage change for Director and employee remuneration, in line with applicable regulations, will be provided in future Annual Reports.

Executive Chairman Pay Ratio

UK regulations require companies with more than 250 UK employees to publish a ratio to show the ratio of the highest paid director versus that of the Group's UK employees. Whilst we do not yet have more than 250 employees in the UK, we have elected to calculate this ratio. In the calculation, we have used Option A because this is the most statistically accurate approach.

Financial year	Method	Lower Quartile	Median	Upper Quartile
2021	A	14:1	8:1	4:1

The pay for the Executive Chairman and the employees at the requisite percentiles are set out below:

Figures shown in £000s	Executive Chairman	Lower Quartile	Median	Upper Quartile
Basic salary	798.8	65.0	95.0	165.0
Total pay	1,601.1	111.6	211.6	366.0

The employee pay figures were calculated by reference to the year to 31 December 2021, which is consistent with the period used for the Single Figure of Remuneration for the Directors. The total pay and taxable benefits were determined for all UK permanent and fixed term employees as at 31 December 2021. No components have been omitted in calculating total pay and taxable benefits on a single total figure of remuneration (STFR) basis. Necessary adjustments were made in determining full time pay and benefits so that salaries, cash bonuses, share awards, taxable benefits and pensions were annualised for employees who have not been with the Company for the full financial year or grossed up on a full time equivalent basis for employees who work on a part time basis.

The Committee is comfortable that the pay ratio shown above is consistent with our pay, reward and progression policies for the Company's UK employees as a whole.

Relative importance of the spend on pay

The table below shows the Company's expenditure on employee pay compared to distributions to shareholders in the year ended 31 December 2021

	FY 2021 £m
Distribution to shareholders	60.0
Aggregate Personnel Expenses	132.7

No prior year comparison has been provided as the Company was not listed at that time. Distributions to shareholders include the final dividend for year ending 31 December 2021 and a dividend of £30m which was paid to eligible A1 and A2 ordinary shareholders on the day immediately before Admission to the London Stock Exchange. Aggregate Personnel Expenses are as set out on page 141 of this report.

Implementation of Policy in 2022

Executive Director remuneration

Base Salary

There will be no change to the base salary levels set on Admission. Therefore, the base salary levels will be as follows:

- Executive Chair: £890,000
- Chief Financial Officer: £500,000

Pension and benefits

Executive Directors are eligible to participate in benefits in line with all other UK employees. They will receive a pension contribution of 10% of salary (up to a salary cap of £112,500) in line with the rate applying to the rest of the UK employees. Other benefits include family private health cover, life insurance and Group Income Protection. William Jackson also participates in the Group Spouses Pension scheme which is a legacy benefit provided to other employees of similar tenure.

Annual Bonus Plan

Adam Jones, the Chief Financial Officer, will be the only Director eligible to participate in the Annual Bonus Plan for 2022, as the Executive Chairman will not receive a bonus. The maximum bonus opportunity for Adam Jones will be 50% of salary.

Performance will be based on a mix of financial and non-financial metrics, weighted 70% and 30% of the bonus opportunity, respectively. More specifically the mix of metrics will be:

Financial Metrics (% of total bonus)	Non-Financial Metrics
EBITDA (40%)	ESG (15%)
Capital Raised (15%)	Strategy (15%)
Capital Deployed (15%)	
Total (70%)	**Total (30%)**

The Committee considers the prospective disclosure of target ranges to be commercially sensitive, but there will be full retrospective disclosure in next year's Annual Report. The Remuneration Committee has the discretion to adjust the formulaic Annual Bonus or waive specific metrics and replace them in determining the annual outcome if it believes that pursuing such metrics would not be in the best interests of the business based on the prevailing circumstances during the year.

50% of any bonus earned in excess of 25% of salary will be deferred into shares under the Deferred Bonus Plan. Deferred Bonus Shares will vest after three years subject to continued employment.

Malus and clawback provisions apply in line with the Policy, as set out on page 98.

Restricted Share Awards

Restricted Share Awards will be made to Adam Jones following the announcement of the annual results. The award will be valued at 50% of salary. Awards will vest after three years subject to continued employment and the underpin contained in the Policy table.

William Jackson will not be eligible to receive a Restricted Share Award.

Non-Executive Director remuneration

Prior to Admission, Non-Executive Director fees were reviewed. A summary of the fees set on Admission are shown below.
These fees will not be increased in the upcoming year.

Non-Executive Director	Fee
Senior Independent Director's fee	£125,000
Non-Executive Director base fee	£75,000
Audit and Risk Committee Chair's fee	£20,000
Remuneration Committee Chair's fee	£20,000

All-Employee Share Incentives

The Company established an all-employee share plan upon Admission. The Committee is currently considering how this plan can be best utilised to support the continued growth and success of the business.

Directors’ report and additional disclosures

The Directors present their Report and the audited consolidated Group and Company financial statements for the year ended 31 December 2021. The Directors’ Report comprises this report and the entire Governance section. In accordance with the FCA’s Listing Rules, the information to be included in the 2021 Annual Report and Accounts, where applicable, under LR 9.8.4, is set out in this Directors’ Report. Particular information that is relevant to this Report, and which is incorporated by reference, can be located as follows:

Information	Section in Annual Report	Page number
Likely future developments of the business of the Group	Strategic Report	24 - 29
Stakeholder engagement (including employee engagement)	Strategic Report	30 - 32
Dividends	Strategic Report	45
Carbon and greenhouse gas emissions	Strategic Report	64 - 65
Risk management	Strategic Report	68 - 75
Board of Directors	Governance	76 - 79
Corporate governance report	Governance	80 - 85
Long-term incentive schemes	Governance	92 - 105
Financial instruments – risk management objectives and policies	Financial Statements	157 - 165

The Directors’ Report, together with the Strategic Report on pages 4 to 75, represent the management report for the purposes of compliance with Rule 4.1 of the FCA’s Disclosure Guidance and Transparency Rules.

Directors’ liability insurance and indemnity

The Company has purchased and maintains Directors’ and Officers’ insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such Directors and officers in the execution of their duties.

The Company has also indemnified each Director to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity arrangements are qualifying indemnity provisions under section 234 the Companies Act 2006, were put in place ahead of the Company’s IPO and remain in force.

Political donations

It is not the policy of the Company to make political donations as contemplated by the Companies Act 2006 and, during 2021, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred.

Acquisition of shares in the Company and EBT

In connection with the reorganisation undertaken to implement the IPO, 350,000,003 deferred shares in the capital of the Company with an aggregate nominal value of £17,500.00015 were gifted by shareholders to the Company for no consideration. Such shares were cancelled on 26 July 2021.

Acquisitions of ordinary shares in the capital of the Company by the Group’s employee benefit trust are described in note 23 to the financial statements.

Diversity, Equity and Inclusion (DE&I)

At Bridgepoint we believe in the power of the individual. We are a decisions business and we make better decisions when we are better informed – when we are able to see challenges and opportunities from multiple angles. Our approach to DE&I is therefore not about tokenism or ticking boxes, it's about our diversity of thought and collective intelligence and the impact they can bring on the quality of our decision-making, outcomes and performance. We aim to create a work environment that properly reflects the communities in which we operate, where every voice is heard, and everyone's wellbeing is valued. Why? Because doing so makes our company a better place to work. And because it makes Bridgepoint a better business and helps us achieve our wider, strategic goals. That's why, by becoming more diverse, equitable and inclusive, Bridgepoint is becoming a better business.

Further details on equal opportunities and diversity are included in the strategic report on page 52.

The Group treats applicants and employees with disabilities fairly and provides facilities, equipment and training to assist disabled employees to do their jobs. Arrangements are made as necessary to provide support to job applicants who happen to be disabled. Should an employee become disabled during their employment, efforts are be made to retain them in their current employment or to explore the opportunities for their retraining or redeployment within the Group. Financial support is also provided by the Group to support disabled employees who are unable to work, as appropriate to local market conditions.

The Group has clear grievance and disciplinary procedures in place, and also has an employee assistance programme which provides a confidential, free and independent counselling service and is available to employees in a number of locations.

Share capital

As at 29 March 2022, the issued share capital was 823,268,774 ordinary shares of £0.00005 each, 500 deferred shares of £81 each, 1 deferred share of £1, and 1 deferred share of £0.01.

Significant shareholdings

As at 31 December 2021, the Company had been notified or otherwise become aware of the following interests pursuant to the FCA's Disclosure Guidance and Transparency Rules representing 3 per cent. or more of the voting rights of the Company:

Shareholder	Number of ordinary shares	Percentage of total voting rights
Dyal Capital Partners IV (C) LP	124,531,939	15.13%
Burgundy Investments Holdings LP	57,055,963	6.93%
T. Rowe Price Associates, Inc.	45,130,992	5.48%
The Capital Group Companies, Inc.	41,939,868	5.09%

Between 31 December 2021 and 29 March 2022, being the latest practicable date before the publication of this Annual Report, the Company received no further notifications under DTR 5.

Rights and restrictions attaching to ordinary shares

The Articles of the Company do not contain any restrictions on the transfer of ordinary shares in the capital of the Company, other than an ability of the Directors to refuse to register a transfer:

- of shares that are not fully paid;
- in respect of more than one class of shares;
- which is not accompanied by the relevant share certificate (or, where requested, other evidence of right to transfer is not provided);
- which is not duly stamped in circumstances where a duly stamped instrument is required (or where requested, evidence that the transfer is not subject to stamp duty is not provided);
- of shares over which the Company has a lien; or
- in favour of more than four persons jointly.

All issued share capital of the Company at the date of this Annual Report is fully paid.

Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws and the UK Takeover Code) and requirements of the Company's share dealing code whereby the Directors and employees of the Group require prior approval to deal in the Company's securities.

In the event the Company is deemed to be an investment company as defined in the Investment Company Act or the Company’s assets may be considered “plan assets” within the meaning of the US Employee Retirement Income Security Act of 1974 (as amended), the Directors may restrict ownership in the Company by (i) “U.S. persons” (as defined in Regulation S under the U.S. Securities Act) that are not a “qualified purchaser” (as defined under the Investment Company Act); or (ii) a person that is a benefit plan investor (including directly or through or as a nominee). In such circumstances, the Articles give the Directors the power to require a transfer of shares by ineligible persons.

Holders of ordinary shares are entitled to attend, speak and vote at general meetings and to appoint proxies and, in the case of corporations, corporate representatives are entitled to attend, speak and vote at such meetings on their behalf. To attend and vote at a general meeting a shareholder must be entered on the register of members at such time (not being earlier than 48 hours before the meeting) as stated in the notice of general meeting. All resolutions at a general meeting are voted on by poll, with holders of ordinary shares having one vote for each share held.

Where a shareholder has been duly served notice under section 793 of the Companies Act 2006 (which confers upon public companies the right to require information with respect to interests in their voting shares) and the shareholder is in default of the notice for a period of 14 days, unless the Directors determine otherwise, the shareholder (and any transferee) will not be entitled to attend or vote at a general meeting. Where the relevant shares represent 0.25 per cent. or more of the issued ordinary shares, the Directors may direct that no transfer of shares that are the subject of the default be registered until the default is remedied, provided that where the shares are in uncertificated form, the Directors may only exercise their discretion not to register a transfer if permitted to do so by applicable legislation.

Save for the arrangements entered into in connection with the IPO described in section 10 of Part XVI and section 3.3 of Part XVII of the Prospectus, the Company is not aware of any agreements between holders of its securities that may restrict the transfer of shares or exercise of voting rights.

Authority to purchase own shares

At a general meeting held on 20 July 2021, shareholders passed a special resolution to authorise the Company, subject to certain conditions, to purchase on the market a maximum of 82,326,877 ordinary shares, representing approximately 10 per cent. of the Company’s issued ordinary share capital immediately following Admission. No shares have been purchased under this authority, and the authority will expire at the conclusion of the 2022 AGM or, if earlier, at the close of business on 31 October 2022. The Directors are seeking the renewal of this authority at the 2022 AGM.

Employee Benefit Trust and share schemes

The Company has established an employee benefit trust (EBT) to hold and acquire shares for the potential benefit of employees. Pursuant to the terms of the EBT, the trustee is required to refrain from exercising any voting rights attached to shares held by it, unless the Company directs otherwise.

Pursuant to the Company’s Deferred Annual Bonus Plan, award holders are not generally entitled to receive dividends or to vote (or have any other shareholder rights) in relation to an award until the relevant shares are transferred to them.

Dividend waiver

A dividend waiver is in place from the trustee of the EBT in respect of all dividends payable by the Company on shares which it holds in trust.

Powers of Directors and Director appointments

The Directors manage the business and affairs of the Company and may exercise all powers of the Company other than those that are required by applicable legislation or by the Articles to be exercised by the Company in general meeting.

The appointment and replacement of Directors is governed by the Company’s Articles the Companies Act 2006 and other applicable legislation. The Directors may appoint any person to be a Director so long as the total number of Directors does not exceed the limit prescribed in the Articles (the maximum number of Directors under the Articles is 20, save that the Company may vary this maximum from time to time by ordinary resolution).

The Articles provide that the Company may, by ordinary resolution at a general meeting, appoint any person to act as a Director, provided that such person is recommended by the Directors, or the Company has received from the person confirmation in writing, no later than seven days before the relevant general meeting, of that person’s willingness to be elected as a Director.

The Company may, by ordinary resolution (of which special notice has been given), remove any Director from office. The Articles also set out the circumstances in which a person shall cease to be a Director.

The Articles require that at each annual general meeting each person who is then a director shall retire from office. A Director who retires at an annual general meeting shall be eligible for re-election by shareholders.

The Board considers all Directors to be effective and committed to their roles, and to have sufficient time to perform their duties. All Directors are required to seek the prior approval of the Board before taking on any significant external appointments.

Articles

The Articles may only be amended by special resolution at a general meeting of shareholders.

Change of control

There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group, other than the following:

- the governing documents of various Bridgepoint funds (including the flagship Bridgepoint Europe funds) include change of control provisions triggered by Bridgepoint personnel/former personnel (and their related parties) ceasing to control certain Group members. In such circumstances, there is a consultation process, and following the change of control investors holding a majority of the commitments in the fund may suspend the investment period, prohibiting the drawdown of commitments. If such suspension is not lifted within a 6-12 month period (varying by fund), the investment period will be permanently terminated;
- awards under the Group's Deferred Bonus Plan generally vest in full (to the extent not already vested) on a change of control of the Company; and
- awards under the Group's Long-Term Incentive Plan and All Employee Share Plan generally vest upon a change of control, subject to the extent to which the performance conditions have been satisfied at the time and time pro-rating unless and to the extent that the Remuneration Committee disapplies or reduces time pro-rating.

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, apart from those described above and the usual provisions for payment in lieu of notice.

By order of the Board:

Sandra Dadd FCG
Company Secretary

29 March 2022

Bridgepoint Group plc

Company number: 11443992

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Additionally, the FCA's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group financial statements in accordance with international financial reporting standards adopted in the United Kingdom.

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 Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as adopted in the United Kingdom;
- for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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.

The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 76 to 79 confirm that, to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidated Group taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidated Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

In accordance with Section 418 of the Companies Act 2006, the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all 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 auditor is aware of that information.

The Board has conducted a review of the effectiveness of the Group's systems of risk management and internal controls including financial, operational and compliance controls, for the year ended 31 December 2021.

In the opinion of the Board, the Company has complied with the internal control requirements of the Corporate Governance Code throughout the year, maintaining an ongoing process for identifying, evaluating and minimising risk.

By order of the Board

Adam Jones
Group CFO

Independent auditor's report to the members of Bridgepoint Group plc

Opinion

We have audited the financial statements of Bridgepoint Group plc (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows, and notes 1 to 29 to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and as regards the Group, UK-adopted international accounting standards and, as regards the parent company financial statements, in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's and the Parent Company result for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the Group financial statements, the Group in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group's and the Parent Company's future financial performance;
- Identifying and testing key assumptions within the going concern assessment, including back-testing of historic forecasts to actual performance;
- Testing the mechanical and arithmetical accuracy of the model used to prepare the Group's cash flow forecasts;
- Considering the consistency of management's forecasts with other areas of the audit, including the impairment review of goodwill;
- Obtaining an understanding of the financing facilities available to the Group;
- Assessing the sensitivity of the forecasts and conclusions to key assumptions; and
- Assessing the appropriateness of risk factors disclosed in the Group's going concern and viability statements by comparison to the understanding gained in our audit procedures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to Bridgepoint Group plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Independent auditor's report to the members of Bridgepoint Group plc continued

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter

Recognition of revenue arising from management fees
 	
In the Consolidated Income Statement, management fees total £197.7m (2020: £148.6m).
 	
Refer to the Audit & Risk Committee Report (pages 87 to 91); Accounting policies pages 127 to 133); and Note 5 of the Financial Statements (page 140).
 	
The Group is entitled to management fees arising from its performance of investment management services to Bridgepoint funds. Management fees are generated from funds in multiple investment strategies and are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage.
 	
Revenue recognition is presumed to be a risk because management may influence or misstate key inputs into the calculations, such as net asset information, to meet market expectations or net operating revenue-based targets.
	Our audit procedures
	
	Our testing approach resulted in selecting a sample of those funds generating management fee income, with our sample selected based on fund strategy and significance relative to materiality.
	
	Our procedures extended to testing 89% of the related amount and the principal and controls procedures were:
	
	– Performing walkthroughs to develop an understanding of the procedures associated with revenue recognition and evaluating the design and implementation of the relevant controls in place;
	– For a sample of funds:
	  – agreeing the fee terms used in the calculation to the relevant legal agreements;
	  – validating key inputs such as committed capital or investment cost to supporting evidence;
	  – testing the arithmetical accuracy of the calculations prepared by management or the third-party administrators by performing independent recalculations; and
	  – tracing management fees received during the year to bank statements;
	– Assessing the appropriateness of the accounting policy associated with the recognition of management fees; and
	– In order to address the risk of management override, testing a sample of journal entries associated to management fees and corroborating their business purpose, as well as performing enquiries of management outside the finance function.
	
	Our observations
	Our audit procedures did not identify any matters regarding the recognition of revenue arising from management fees in accordance with UK-adopted international accounting standards. All calculations tested have been performed materially in accordance with contractual terms. Based on our procedures performed we had no material matters to report to the Audit & Risk Committee.

Key Audit Matter	How our scope addressed this matter

Valuation of private equity, credit funds and collateralised loan obligations (CLOs)
 	
In the Consolidated Statement of Financial Position, the fair value of fund investments is £304.4m (2020: £233.5m). The fair value of CLO assets is £285.7m (2020: £272.5m) and CLO liabilities is £240.8m (2020: 256.6m).
 	
Refer to the Audit & Risk Committee Report (pages 87 to 91); Accounting policies (pages 127 to 133); and Notes 17 and 18 of the Financial Statements pages 149 to 156).
 	
The proprietary investment portfolio comprises unquoted securities, including interests in private equity and credit fund investments, CLO assets and CLO liabilities (which are held directly by consolidated subsidiaries of the Group and Parent Company), and investments in investment entities (which are typically limited partnerships and other holding structures).
 	
The interests in private equity and credit funds are measured at fair value based on the net asset value determined by the manager of the underlying funds.
 	
The loan asset portfolios held through the CLO vehicles were originated and are managed by the Group. These are measured at fair value using pricing obtained from third-party valuations.
 	
The valuation techniques used involve a high degree of estimation uncertainty. Therefore, there is a risk of error in the determination of the fair value of these investments.
	Our audit procedures
	
	For balances arising from investments in private equity and credit funds, our principal audit procedures were:
	
	– Performing walkthroughs to develop an understanding of the procedures and controls associated with valuation of investments and evaluating the design, implementation and operating effectiveness of the relevant controls in place. This included inquiry of Management regarding the valuation governance structure and protocols around their oversight of the valuation process, including evidencing the oversight from the Audit & Risk Committee and the relevant Valuation Committees;
	– Engaging our valuation specialists to assess the reasonableness of the valuation methodology applied to unquoted investments, including whether it is in accordance with IFRS 13 – Fair value measurement ("IFRS 13") and the International Private Equity and Venture Capital Valuation (IPEV) guidelines;
	– For a sample of investments in funds, agreeing the balance to capital statements and reconciling the capital statements to audited financial statements of the funds;
	– For a sample of ten underlying portfolio companies selected from different investment strategies, with the assistance of our valuation specialists, evaluating the appropriateness of the valuation methodology and key assumptions. Also agreeing key inputs into the valuation models to source data and assessing the mathematical accuracy of the valuation models; and
	– In order to address the risk of management override testing journal entries associated with the investment accounts and corroborating their business purpose;we have also performed enquiries of Management outside of the finance function.
	
	The audit team, including the valuation specialists have tested 20% of the fund portfolio.
	
	For balances arising from the investment in CLOs, our principal audit procedures were:
	
	– Independently revaluing the loan asset portfolio held through the consolidated CLO vehicle to third party pricing sources.
	– With the assistance of our valuation specialists, independently revaluing notes issued by CLO entities. This included:
	  – Obtaining the underlying cash flow information from Management and agreeing back material cash transactions to underlying documents and cash ledgers of CLO entities independently obtained from the custodian.
	  – Using a range of sources and modelling assumptions (recovery rate, prepayments, default and yield); and
	  – determining an acceptable threshold.
	
	The audit team, including the valuation specialists have tested 100% of the CLO asset portfolio and loan notes.
	
	Our observations
	For private equity and credit funds, management has appropriately estimated the fair value of the investments. We consider that the methodology applied in the valuations and the assumptions adopted therein are in line with IPEV guidelines and generally accepted valuation practices, and comply with the fair value principles outlined in IFRS 13. The reconciliations of the Group's interest in these investments did not identify any material misstatements.
	
	For CLO holdings, the valuation of the loan portfolio held by CLO entities and notes issued by CLO entities is deemed to be within a reasonable range of fair values and we had no material matters to report to the Audit & Risk Committee.

Independent auditor's report to the members of Bridgepoint Group plc continued

Key Audit Matter	How our scope addressed this matter

Recognition of carried interest income and measurement of related receivable
 	
In the Consolidated Income Statement, carried interest income totals £14.3m (2020: £12.9m). In the Consolidated Statement of Financial Position, carried interest receivable amounts to £38.9m (2020: 27.9m).
 	
Refer to the Audit & Risk Committee Report (pages 87 to 91); Accounting policies (pages 127 to 133); and Notes 5 and 16 of the Financial Statements (pages 140 to 141 and 149 respectively).
 	
The carried interest receivable represents the expected income that the Group will receive from those funds whereby the fund performance has exceeded the relevant thresholds based upon the net asset value of the underlying fund.
 	
The initial recognition of carried interest is by its nature uncertain as it requires fund performance to exceed agreed thresholds. Carried interest revenue is only recognised to the extent that it is highly probable that there would not be a significant reversal of accumulated revenue on the completion of a fund. In determining the amount of revenue to be recognised the Group is required to make assumptions and estimates when determining (i) whether or not revenue should be recognised and (ii) the timing and measurement of such amounts. This process considers the current fund valuation and internal forecasts on the expected timing and disposal of fund assets. For private equity funds the Group applies discounts to the fair values of investments where the fund value exceeds the carried interest hurdle. For credit funds which are more sensitive to the performance of individual investments in their portfolio , only funds that have reached their hurdle or are expected to do so imminently are modelled on that basis.
 	
Due to the number of bespoke, complex agreements and the manual nature of the calculation and recognition process, there is an increased risk of error in relation to the carried interest receivable. In addition, there is a risk that management may influence the timing or recognition of revenue in order to meet market expectations or net operating revenue-based targets.
	Our audit procedures
	
	Our procedures extended to testing 100% of the related amount and the principal procedures were:
	
	– Performing walkthroughs to develop an understanding of the procedures and controls associated with recognition and measurement of carried interest and evaluating the design, implementation and operating effectiveness of the relevant controls;
	– Assessing the appropriateness of the accounting policy associated with the recognition of carried interest;
	– For all managed funds:
	  – Agreeing the inputs used in the carried interest calculations to supporting evidence, including legal agreements, verifying the applicable hurdle and triggers for the contractual right to carried interest;
	  – Assessing the reasonableness of discounts applied by Management to adjust for Possible reversals in the performance of the underlying funds, including back-testing of prior year performance forecasts to actuals for the year; and
	  – Recalculating the value of the carried interest receivable.
	
	In addition to the procedures above, for credit funds specifically, we have performed the following procedures:
	
	– Reviewing the agreements relevant to the recognition of carried interest, ensuring that the agreements specify the trigger of carry, and verifying that the trigger has occurred in the year in line with the agreement; and
	– Recalculating the value of the carried interest revenue and receivable.
	
	In order to address the risk of management override, we tested a sample of journal entries associated to carried interest and corroborated their business purpose, as well as performed enquiries of management outside the finance function.
	
	Our observations
	Our audit procedures did not identify any matters regarding the recognition of carried interest in accordance with UK-adopted international accounting standards. All calculations tested have been performed in accordance with contractual terms. Based on our procedures performed we had no material matters to report to the Audit and Risk Committee.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£4.5m
How we determined it	5% of Underlying profit before tax, as defined in the Annual Report
Rationale for benchmark applied	We have considered that the profitability of the business is the key focus of the users of the financial statements, and as such, we have based out materiality around this benchmark. Exceptional items and amortisation of intangible assets have been excluded from profit before tax due to their nature and that they do not reflect the underlying performance of the Group, consistent with presentation in the annual report.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Based on our risk assessment, together with our assessment of the overall control environment and the consideration of this being our first-year audit of Bridgepoint Group plc, our performance materiality is set at £2.3m, which represents 50% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £0.1m, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The range of overall materiality across components, audited to the lower of statutory audit materiality and materiality capped for Group audit purposes, was between £0.1m and £3.0m, all being below the level of overall materiality that was set for the Group.

Parent Company materiality

Overall materiality	£4.5m
How we determined it	1% of Total assets (Capped at 0.4% so as not to exceed Group materiality)
Rationale for benchmark applied	We have considered that total assets is the most appropriate benchmark as the Parent Company is not trading and mainly holds investments in subsidiaries, as well as intercompany balances.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Based on our risk assessment, together with our assessment of the overall control environment and the consideration of this being our first-year audit of Bridgepoint Group plc, our performance materiality is set at £2.3m, which represents 50% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £0.1m, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgments, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Group and the Parent Company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our Group audit scope included an audit of the Group and the Parent company financial statements. Based on our risk assessment, Bridgepoint Advisers Holdings, Bridgepoint Advisers Limited, Bridgepoint Advisers II Limited, Bridgepoint Advisers UK Limited, Opal Investments LP, Bridgepoint SAS, Bridgepoint LLC, Bridgepoint CLO 1 Designated Activity Company of the Group, including the Parent Company Bridgepoint Group plc, were subject to full scope audit performed by the Group audit team. We audited 92% of the Group's total assets and 89% of the Group's profit before tax.

At the Parent Company level, the Group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Independent auditor's report to the members of Bridgepoint Group plc continued

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- 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 and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- Strategic Report or the Directors' Report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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; or
- a corporate governance statement has not been prepared by the Parent Company.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the corporate governance statement relating to Bridgepoint Group plc's compliance with the provisions of the UK corporate governance statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on pages 48 and 49;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on pages 48 to 49;
- Directors' statement on fair, balanced and understandable, set out on page 110;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 69 to 75;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 68; and
- The section describing the work of the Audit & Risk Committee, set out on pages 87 to 91.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 110, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Data Protection Act, UK Bribery Act, UK Corporate Governance Code, British Private Equity & Venture Capital Association regulations, The Alternative Investment Fund Managers Directive, Financial Services and Markets Act, Streamlined Energy and Carbon Reporting, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the Parent Company, the industry in which they operate, and the structure of the Group, and considering the risk of acts by the Group and the Parent Company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities including Financial Conduct Authority;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the Listing Rules, FCA regulations, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to manipulating accounting records and preparing fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;
- Performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual;
- Review the journal entry process to evaluate its effectiveness and appropriateness, including an assessment of the level of segregation of duties; and
- Performing analysis of journal entries from the nominal ledger using a data analytics tool

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk /auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit & Risk Committee, we were appointed by Bridgepoint Group plc on 4 October 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is one year, covering the year ended 31 December 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with our additional report to the Audit & Risk Committee.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

David Herbinet (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

29 March 2022

Consolidated Income Statement

for the year ended 31 December

	Note	2021 £ m	2020 £ m
Management fees	5	**197.7**	148.6
Carried interest	5	**14.3**	12.9
Fair value remeasurement of investments	5	**56.9**	29.4
Other operating income	5	**1.7**	0.9
Total operating income	5	**270.6**	191.8
Personnel expenses	6	**(132.7)**	(96.3)
Other expenses	7	**(53.7)**	(36.6)
Foreign exchange gains/(losses)		**1.1**	(0.2)
EBITDA*		**85.3**	58.7
Depreciation and amortisation expense	9	**(15.0)**	(8.8)
Total operating profit		**70.3**	49.9
Finance income	10	**4.2**	4.7
Finance expenses	10	**(11.9)**	(6.1)
Profit before tax*		**62.6**	48.5
Tax	11	**(4.8)**	(0.8)
Profit after tax		**57.8**	47.7
Attributable to:			
Equity holders of the parent		**57.8**	36.5
Non-controlling interests		**–**	11.2
		57.8	47.7
		£	£
Basic and diluted earnings per share	12	**0.16**	11.59

* Exceptional expenses of £28.6m (2020: £7.7m) are included in EBITDA. Profit before tax includes exceptional expenses of £28.6m (2020: £7.9m) and exceptional income of £3.8m (2020: £4.4m). Details of exceptional items are included in note 8.

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	Note	2021 £ m	2020 £ m
Profit after tax		**57.8**	47.7
Items that may be reclassified to income statement in subsequent years:			
Exchange differences on translation of foreign operations		**(3.6)**	2.8
Change in the fair value of hedging instrument		**12.8**	(4.8)
Reclassifications to income statement		**(1.6)**	(1.4)
Total tax on components of other comprehensive (expense)/income	11 (c)	**(2.1)**	0.9
		5.5	(2.5)
Total comprehensive income for the year, net of tax		**63.3**	45.2
Total comprehensive income attributable to:			
Equity holders of the parent		**63.3**	34.6
Non-controlling interests	23 (f)	**–**	10.6
		63.3	45.2

Consolidated Statement of Financial Position

as at 31 December

	Note	2021 £ m	2020 £ m
Assets			
Non-current assets			
Property, plant and equipment	13	**75.8**	41.6
Goodwill and intangible assets	15	**122.6**	125.7
Carried interest receivable	16	**38.9**	27.9
Fair value of fund investments	17	**313.7**	235.9
Trade and other receivables	17	**16.9**	6.9
Total non-current assets		**567.9**	438.0
Current assets			
Fair value of CLO assets*	17	**286.8**	272.5
Trade and other receivables	17	**88.2**	176.7
Derivative financial instruments	17	**9.9**	0.7
Cash and cash equivalents	17	**323.1**	42.3
CLO cash*	17	**4.2**	114.8
Total current assets		**712.2**	607.0
Total assets		**1,280.1**	1,045.0
Liabilities			
Non-current liabilities			
Trade and other payables	18	**43.5**	32.2
Other financial liabilities	18	**46.9**	6.2
CLO liabilities*	18	**241.4**	256.6
Lease liabilities	19	**80.8**	35.9
Deferred tax liabilities	22	**19.7**	15.9
Total non-current liabilities		**432.3**	346.8
Current liabilities			
Trade and other payables	18	**90.2**	85.9
Borrowings	18	**–**	99.7
Lease liabilities	19	**4.0**	6.1
Derivative financial instruments	18	**–**	4.9
CLO liabilities*	18	**1.5**	17.9
CLO purchases awaiting settlement*	18	**35.8**	93.2
Total current liabilities		**131.5**	307.7
Total liabilities		**563.8**	654.5
Net assets		**716.3**	390.5
Equity			
Share capital	23	**0.1**	240.9
Share premium	23	**289.8**	0.5
Capital redemption reserve	23	**–**	24.6
Share-based payment reserve	23	**3.2**	–
Cash flow hedge reserve	23	**7.5**	(2.2)
Net exchange differences reserve	23	**3.1**	5.3
Retained earnings	23	**412.6**	39.7
Capital and reserves attributable to equity holders of the company		**716.3**	308.8
Non-controlling interests	23	**–**	81.7
Total equity		**716.3**	390.5

* Detail of the Group's interest in consolidated Collateralised Loan Obligations ("CLOs") are included in note 17 (c). The equity holders' exposure in the consolidated CLOs is £12.3m at 31 December 2021 (2020: £19.5m). The Group's investment in CLOs which are not consolidated is £38.0m (2020: nil) and are included within fair value of fund investments.

The financial statements of Bridgepoint Group plc (company registration number: 11443992), which include the notes, were approved and authorised by the Board of Directors on 29 March 2022 and were signed on its behalf by:

A M Jones
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December

	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Cash flow hedge reserve £ m	Net exchange differences reserve £ m	Retained earnings £ m	Total £ m	Non-controlling interests £ m	Total equity £ m
At 1 January 2021		240.9	0.5	24.6	–	(2.2)	5.3	39.7	308.8	81.7	390.5
Profit for the year		–	–	–	–	–	–	57.8	57.8	–	57.8
Other comprehensive income		–	–	–	–	11.2	(3.6)	(2.1)	5.5	–	5.5
Total comprehensive income		–	–	–	–	11.2	(3.6)	55.7	63.3	–	63.3
Share capital issuance	23 (a)	–	289.3	–	3.2	–	–	–	292.5	–	292.5
Share capital reorganisation	23 (a)	(240.8)	–	(24.6)	–	–	–	265.4	–	–	–
Dividends	24	–	–	–	–	–	–	(30.0)	(30.0)	–	(30.0)
Movement in non-controlling interests	23 (f)	–	–	–	–	(1.5)	1.4	81.8	81.7	(81.7)	–
At 31 December 2021		0.1	289.8	–	3.2	7.5	3.1	412.6	716.3	–	716.3

	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Cash flow hedge reserve £ m	Net exchange differences reserve £ m	Retained earnings £ m	Total £ m	Non-controlling interests £ m	Total equity £ m
At 1 January 2020		240.9	0.5	24.6	–	2.6	3.1	(6.2)	265.5	90.9	356.4
Profit for the year		–	–	–	–	–	–	36.5	36.5	11.2	47.7
Other comprehensive income		–	–	–	–	(4.8)	2.2	0.7	(1.9)	(0.6)	(2.5)
Total comprehensive income		–	–	–	–	(4.8)	2.2	37.2	34.6	10.6	45.2
Purchase of own shares	23 (b)	–	–	–	–	–	–	(0.1)	(0.1)	–	(0.1)
Dividends	24	–	–	–	–	–	–	(6.6)	(6.6)	(4.4)	(11.0)
Movement in non-controlling interests	23 (f)	–	–	–	–	–	–	15.4	15.4	(15.4)	–
At 31 December 2020		240.9	0.5	24.6	–	(2.2)	5.3	39.7	308.8	81.7	390.5

Consolidated Statement of Cash Flows

for the year ended 31 December

	Note	2021 £ m	2020 £ m
Cash flows from operating activities			
Cash generated from operations	25 (a)	**24.5**	32.4
Tax paid		**(1.4)**	(4.0)
Net cash inflow from operating activities		**23.1**	28.4
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	14	**–**	(86.3)
Payments for property, plant and equipment	13	**(6.3)**	(3.2)
Receipts from investments (non-CLO)	16, 17 (b)	**69.0**	57.4
Purchase of investments (non-CLO)	16, 17 (b)	**(86.9)**	(77.3)
Interest received (non-CLO)		**1.0**	0.1
Receipts from investments (CLO)		**113.3**	2.1
Purchase of investments (CLO)		**(281.2)**	(6.2)
Cash acquired on acquisition of CLO (CLO)		**–**	1.9
Receipts from sale and repurchase of the Group's holding in CLOs	18 (d)	**28.1**	–
Net cash flows from investing activities		**(163.0)**	(111.5)
Cash flows from financing activities			
Receipt from non-controlling interest		**114.3**	71.4
Proceeds from issue of shares by subsidiary		**4.7**	–
Proceeds from issue of shares by the Company	23 (a)	**305.1**	–
IPO costs		**(36.4)**	–
Dividends paid to shareholders of the Company	24	**(30.0)**	(6.6)
Dividends paid to non-controlling interests		**–**	(4.4)
Drawings on banking facilities		**49.2**	130.3
Repayment of banking facilities		**(146.9)**	(73.5)
Drawings from related party investors in intermediate fund holding entities		**4.0**	1.7
Principal elements of lease payments		**(6.8)**	(5.9)
Drawn funding (CLO)		**65.4**	6.2
Repayment of CLO borrowings (CLO)		**(1.4)**	(124.2)
Cash from CLO investors (CLO)		**3.3**	235.1
Interest paid (non-CLO)		**(5.9)**	(4.9)
Net cash flows from financing activities		**318.6**	225.2
Net increase in cash and cash equivalents		**178.7**	142.1
Cash and cash equivalents at the beginning of the year		**157.1**	12.1
Effect of exchange rate changes on cash and cash equivalents		**(8.5)**	2.9
Cash and cash equivalents at the end of year		**327.3**	157.1
Cash and cash equivalents (for use within the Group)	17 (f)	**323.1**	42.3
CLO cash (restricted)	17 (f)	**4.2**	114.8
Total cash at the end of the year		**327.3**	157.1

Company Statement of Financial Position

as at 31 December

	Note	2021 £ m	2020 £ m
Assets			
Non-current assets			
Investments in subsidiaries	28	**451.2**	448.0
Deferred tax asset	22	**1.1**	–
Total non-current assets		**452.3**	448.0
Current assets			
Trade and other receivables	17 (e)	**106.5**	–
Cash and cash equivalents	17 (f)	**159.0**	9.4
Total current assets		**265.5**	9.4
Total assets		**717.8**	457.4
Liabilities			
Current liabilities			
Trade and other payables	18 (b)	**23.1**	0.9
Total liabilities		**23.1**	0.9
Net assets		**694.7**	456.5
Equity			
Share capital	23	**0.1**	240.9
Share premium	23	**289.8**	0.5
Capital redemption reserve	23	–	24.6
Share-based payment reserve	23	**3.2**	–
Retained earnings	23	**401.6**	190.5
Total equity		**694.7**	456.5

Company Statement of Changes in Equity

for the year ended 31 December

	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Retained earnings £ m	Total equity £ m
At 1 January 2021		**240.9**	**0.5**	**24.6**	**–**	**190.5**	**456.5**
Loss for the year		**–**	**–**	**–**	**–**	**(24.3)**	**(24.3)**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive expense		**–**	**–**	**–**	**–**	**(24.3)**	**(24.3)**
Share capital issuance	23 (a)	**–**	**289.3**	**–**	**3.2**	**–**	**292.5**
Share capital reorganisation	23 (a)	**(240.8)**	**–**	**(24.6)**	**–**	**265.4**	**–**
Dividends	24	**–**	**–**	**–**	**–**	**(30.0)**	**(30.0)**
At 31 December 2021		**0.1**	**289.8**	**–**	**3.2**	**401.6**	**694.7**

	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Retained earnings £ m	Total equity £ m
At 1 January 2020		240.9	0.5	24.6	–	184.3	450.3
Profit for the year		–	–	–	–	12.9	12.9
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income		–	–	–	–	12.9	12.9
Purchase of own shares	23 (b)	–	–	–	–	(0.1)	(0.1)
Dividends	24	–	–	–	–	(6.6)	(6.6)
At 31 December 2020		240.9	0.5	24.6	–	190.5	456.5

Company Statement of Cash Flows

for the year ended 31 December

	Note	2021 £ m	2020 £ m
Cash flows from operating activities			
Cash generated from operations	25	**(89.5)**	(2.5)
Net cash outflow from operating activities		**(89.5)**	(2.5)
Cash flows from investing activities			
Dividends received		–	15.5
Net cash flows from investing activities		–	15.5
Cash flows from financing activities			
Proceeds from issue of shares of the Company	23 (a)	**305.1**	–
IPO costs		**(36.0)**	–
Dividends paid to shareholders of the Company	24	**(30.0)**	(6.6)
Net cash flows from financing activities		**239.1**	(6.6)
Net increase in cash and cash equivalents		**149.6**	6.4
Cash and cash equivalents at the beginning of the year		**9.4**	3.0
Effect of exchange rate changes on cash and cash equivalents		–	–
Cash and cash equivalents at the end of year	17 (f)	**159.0**	9.4

Notes to the consolidated and company financial statements

1 General information and basis of preparation

General information

Bridgepoint Group plc (the "Company") is a public company limited by shares and domiciled in the United Kingdom. The country of incorporation is England and Wales. The Company's registration number is 11443992 and the address of its registered office is 95 Wigmore Street, London, England, W1U 1FB.

The principal activity of the Company and entities controlled by the Company (the "Group") is to act as a private equity and credit fund manager. The Strategic Report sets out further details of the Group's activities.

Basis of preparation

The financial statements for the year ended 31 December 2021 comprise the financial statements of the Group and the Company.

The financial statements have been prepared in accordance with UK-adopted international accounting standards, International Financial Reporting Standards ("IFRS") and the legal requirements of the Companies Act 2006 and have been prepared under the historical cost convention, except for financial instruments measured at fair value.

The principal accounting policies applied in the preparation of the financial statements are set out within note 2. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Details of the critical judgements and key sources of estimation uncertainty are set out in note 3. Actual results may differ from these estimates.

The financial statements are presented in pound sterling and all values are rounded to the nearest £0.1m except where otherwise indicated.

Transition to IFRS

The financial statements are the first set of IFRS statutory financial information prepared by the Company and the Group.

The Group's Prospectus for Admission to the London Stock Exchange included restated historical information for the years ended 31 December 2018, 2019 and 2020. A reconciliation of the adjustments from the statutory accounts for the Group, which had been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and IFRS is set out in the Prospectus, which can be found in the shareholder section of the Bridgepoint website, within IPO documents.

The Company's financial information under IFRS were not included in the Prospectus, however as there are no transition differences between the Company numbers under FRS 102 and IFRS, no reconciliations have been included within these financial statements.

Changes to comparatives

A number of minor changes to the numbers included within the historical financial information within the Prospectus have been made to the comparative period presented within these financial statements to make them comparable with the current period, however there is no impact on the profit, net assets and cash flow of the Group.

Expenses of £0.3m relating to the acquisition of EQT AB's Credit business ("EQT Credit") are now treated as exceptional. Whilst these costs were not material in the comparative period, they are now more significant in the current year and therefore the comparative has been updated to include them.

Other changes can be summarised as:

- Investments in funds and other financial liabilities have been grossed up by £2.4m and cashflows from investing and financing activities have been grossed up by £1.7m, in relation to a number of limited partnerships that the Group consolidates, through which some of the Group's investment in funds are held, but where the Group's interest only constitutes a portion of the total of the investment;
- Derivative financial instrument assets of £0.7m have been presented gross rather than net of liabilities within the consolidated balance sheet;
- Interest receipt cash flows of £0.1m have been reclassified from financing activities to investing activities in the consolidated cash flow statement; and
- Other operating income of £1.8m, personnel expenses of £1.1m and other expenses of £0.5m have has been reclassified to the Central segment within the operating segment disclosure (note 4).

Adoption of new and revised standards

The Group has adopted all relevant amendments to existing standards and interpretations issued by the International Accounting Standards Board ("IASB") that are effective from 1 January 2021. Other amendments to IFRSs not adopted are not material. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group plans to adopt the "Amendments to IAS 1 'Presentation of Financial Statements' classification of liabilities" issued by IASB and IFRIC when it becomes effective on 1 January 2023. The impact of this standard on the Group's financial statements is currently being reviewed.

No other standards or interpretations issued are expected to have a material impact on the Group or Company's financial statements.

Going concern

The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future having assessed the business risks, financial position and resources of both the Group and Company. Further detail is set out within the viability and going concern statement.

Company result

As permitted by section 408 of the Companies Act 2006, the income statement and the statement of comprehensive income of the Company is not presented as part of these financial statements. The Company's loss for the year amounted to £24.3m, which includes costs relating to the IPO (2020: profit of £12.9m).

2 Accounting policies

(a) Consolidation

The consolidated financial statements include the comprehensive gains or losses, the financial position and the cash flows of the Company, its subsidiaries and the entities that the Group is deemed to control, drawn up to the end of the relevant period, which includes elimination of all intra-group transactions. Uniform accounting policies have been adopted across the Group.

Assessment of control

Control is achieved when the Group has power over the relevant activities, exposure to variable returns from the investee, and the ability to affect those returns through its power over the investee.

The Group controls an investee (entity) if, and only if, the Group has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group holds less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders meetings.

The assessment of control is based on all relevant facts and circumstances and the Group reassesses its conclusion if there is an indication that there are changes in facts and circumstances.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Transactions with non-controlling interests are recognised in equity.

(b) Foreign currencies

Presentation currency

The presentational currency of the Company and Group is pound sterling.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the opening spot exchange rate for the month in which the transaction occurs as an approximate for the actual rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity and recognised in other comprehensive income if they relate to qualifying cash flow hedges or are attributable to part of the net investment in a foreign operation.

The impact of the revaluation of investments and carried interest held in foreign currencies is presented together with the income from the fair value measurement of the income receivable.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the applicable foreign currency exchange rate on the date the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as investments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency of the Group and Company as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each profit and loss period are translated using the opening spot rate for the month; and
- all resulting exchange differences are recognised in other comprehensive income.

(c) Operating income

Operating income primarily comprises of management fees, carried interest income and investment profits from the management of investment in private equity and credit fund partnerships. The parties to agreements for fund management services comprise the Group and the investors of each fund as a body. Accordingly, the group of investors of each fund are identified as a customer for accounting purposes.

Income is measured based on the consideration specified in the contracts and exclude amounts collected on behalf of third parties, discounts and value added taxes.

Management fees

The Group earns management fees and carried interest from its provision of various investment management services to funds, which are treated as a single performance obligation.

Management fees are recognised over time over the life of each fund, generally 10 – 12 years, occasionally subject to an extension, if agreed with the investors of that fund.

Management fees are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage. Fees are billed in accordance with the Limited Partnership Agreement ("LPA") and are either billed semi-annually or quarterly in advance or arrears.

Carried interest

The Group receives a share of fund profits through its holdings in Founder Partnerships as variable consideration dependent on the level of fund returns. The entitlement to carried interest and the amount is determined by the level of accumulated profits exceeding an agreed threshold (the "hurdle") over the life-time of each fund. The carried interest income is recognised when the performance obligations are expected to be met.

Income is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund. The reversal risk due to uncertainty of future fund performance is managed through the application of discounts. This is explained further within note 3.

The carried interest receivable represents a contract asset under IFRS 15 "Revenue from contracts with customers". Amounts are typically presented as non-current assets unless they are expected to be received within the next 12 months.

The Group applies the simplified approach for measuring impairment of the contract asset and the practical expedient permitted by IFRS 9 "Financial instruments".

Investment income

Investment income consists primarily of fair value measurements of the Group's investments in private equity and credit funds. Details of the valuation of such investments is explained further within note 3.

Other operating income

Other operating income includes fees and commissions receivable by the Group's procurement consulting business, PEPCO Services LLP. Amounts payable to sub-contractors who contribute to the provision of services are presented net of other operating income. Amounts are recognised in the income statement on an accruals basis.

(d) Deferred acquisition costs

Professional costs, particularly legal and other advisor costs, are incurred when raising a new fund. The LPA of each fund dictates the aggregate expense that can be recharged to the fund investors on the close of a new fund. Costs in excess of the Cap and any/all fees paid to placement agents are capitalised as a non-current asset.

The benefit of the incurred costs for private equity funds is primarily considered to be attributable to the period when the primary fund investment activity is carried out. Therefore, the useful life of the asset is the commitment period for the fund. A useful life of three years is used for private equity funds, being the shortest likely commitment period, but is typically between three and five years.

For credit funds, the period of portfolio construction is typically longer, therefore a five year useful life is used, which correlates with the period over which the management fees build up to a maximum level.

(e) Personnel benefits

Short-term employee benefits

Short-term employee benefits, which include employee salaries and bonuses, are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accumulated holiday balances are accrued at each period end, if an employee's entitlement is not used in full.

Long-term employee benefits

Long-term employee benefits, which are those that are not expected to be settled wholly before 12 months after the period end in which the employee renders the service that gives rise to the benefit, include certain long-term bonuses. An expense is recognised over the period in which the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pensions

Amounts payable in respect of employers' contributions to the Group's defined contribution pension scheme are recognised as employee expenses as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on an estimate of the number of equity instruments that will eventually vest. A corresponding credit is made to the Share-based payment reserve within equity.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

(f) EBITDA

EBITDA means earnings before interest, taxes, depreciation and amortisation. It is used to provide an overview of the profitability of the Group's business and segments. Underlying EBITDA is calculated by deducting exceptional items within EBITDA.

EBITDA and Underlying EBITDA are alternative performance measures and non-IFRS measures.

The Group uses Underlying EBITDA as exceptional income or expenditure could distort an understanding of the performance of the Group. Details of exceptional expenses are set out in note 8.

(g) Operating profit

Operating profit means earnings before finance income, finance expenses and taxes. Operating profit is an alternative performance measure and non-IFRS measure.

(h) Leases

Leases for office premises

The Group has applied IFRS 16 "Leases" where the Group has the right-of-use of an asset under a lease contract for a period of more than 12 months. Such contracts represent leases of office premises where the Group is a tenant.

Assets are recorded initially at cost and depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life. Cost is defined as the lease liabilities recognised plus any initial costs and dilapidations provisions less any incentives received. The right-to-use assets are depreciated during the lease term, generally 5 to 10 years. Right-of-use assets are included within property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the net present value of future lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate ("IBR"). Generally, the Group uses its IBR as the discount rate as the implicit rate is not readily determinable for the rented office premises. The lease liability is subsequently measured at amortised cost using the effective interest method.

The IBR is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment within similar terms, security and conditions.

Lease payments due within the next 12 months are recognised within current liabilities, payments due after 12 months are recognised within non-current payables.

Group as lessor

Where the Group acts as an intermediate lessor by entering into a subletting agreement and has transferred substantially all the risks and rewards incidental to ownership of the underlying asset, the Group accounts for these subleases as finance leases under IFRS 16 "Leases". Such contracts represent subleases of office premises.

At commencement of the lease term, the Group derecognises the right-of-use asset relating to the head lease and recognises the net investments in the sublease as a receivable. The difference between the right-of-use asset and the net investment is in the sublease is recognised in profit or loss. The Group uses the IBR used for the head lease to measure the net investment in the lease (adjusted for any initial direct costs associated with the sublease). During the term of the sublease, the Group recognises both finance income on the sublease and finance expense on the head lease.

The Group applies the simplified approach for measuring impairment of lease receivables and the practical expedient permitted by IFRS 9 "Financial instruments".

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term within operating expenses.

(i) Finance income and finance expenses

Finance income comprises of the net income from the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of the discount, and the unwind of the discount on the deferred proceeds receivable, in addition to interest earned on cash deposited with bank balances and finance income on sublease agreements. Finance expenses comprises of interest on interest-bearing liabilities and finance expenses on lease liabilities.

Recurring fees and charges levied on committed bank facilities are charged to the Income Statement as accrued. Credit facility arrangement fees are capitalised and amortised to the Income Statement using the effective interest method over the term of the facility.

Interest income and expense is recognised using the effective interest method. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums and discounts.

(j) Exceptional items

Items of income and expense that are material by size and/or nature and are not considered to be incurred in the normal course of business are classified as 'exceptional' within the income statement and disclosed separately to give a clearer presentation of the Group's underlying financial performance.

(k) Taxation

Taxation expense for the period comprises of current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the period or prior period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from temporary differences at the reporting date between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction, other than a business combination, that affects neither the tax nor the accounting profit.

Deferred tax liabilities are recognised for all taxable temporary differences.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right of set off, when they relate to income taxes levied by the same tax authority and the Group intends to settle on a net basis. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

Current or deferred taxation assets and liabilities are not discounted.

(l) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment.

The cost includes the purchase price as well as expenditure directly attributable to put the asset in place and order to be used in accordance with the purpose of the acquisition.

Assets are depreciated so as to write off their cost, on a straight-line basis, over their estimated useful lives as follows:

Asset class	Depreciation rate
Computers, Furniture and Other	3 to 5 years
Leasehold Improvements	Over the shorter of their useful economic life or the lease term

The loss to reduce the carrying amount of any assets that are impaired is recognised within the Income Statement and reversed if there are indications that the need for impairment is no longer present. The carrying amount of an item of property, plant and equipment is derecognised from the statement of financial position at disposal or when no future economic benefits are expected from the use or disposal of the asset. The depreciation is included within 'Depreciation and Amortisation' within the Income Statement.

(m) Intangible assets

Intangible assets, which constitute acquired customer relationship assets acquired from a business combination, are stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are annually assessed for impairment when there are indicators of impairment.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. The amortisation is included within 'Depreciation and Amortisation' within the Income Statement.

(n) Business combinations and goodwill

Business combinations of subsidiaries and businesses are accounted for by applying the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued. Costs attributable to the business combination are expensed in the Income Statement. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Contingent consideration is recognised at the acquisition date. It is classified as a financial liability and subsequently remeasured to fair value, with changes in fair value recognised in the Income Statement.

Goodwill recognised represents the excess of the fair value of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. Any identified impairment is charged to the income statement. No reversals of impairment are recognised. Intangible assets are annually assessed for impairment when there are indicators of impairment. Impairment triggers could include the loss of a fund management contract or a failure to raise a new fund.

(o) Financial instruments

Financial assets

The Group's financial assets consist of investments in funds, investments made by Collateralised Loan Obligations ("CLOs") consolidated by the Group, derivative financial instruments, accounts receivable and other receivables and cash and cash equivalents.

The Company's financial assets consist of investments in subsidiaries, accounts receivable and other receivables and cash and cash equivalents.

Recognition

A financial asset is recognised when the Group or Company becomes party to the contractual provisions of the instrument.

Classification and measurement

A financial asset is initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the assets contractual cash flows. The measurement categories for financial assets are as follows:

- Fair value through profit or loss;
- Fair value through other comprehensive income; and
- Amortised cost.

Financial assets must be measured through profit of loss unless they are measured at amortised cost or through other comprehensive income. The Group's investments in funds and investments in CLOs are measured at fair value through profit of loss as such assets are held for investment returns.

Derivative instruments used for hedging foreign exchange, are measured at fair value through profit of loss. Where they qualify for hedge accounting the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income until the recognition of the hedged transaction affects profit or loss, at which point the amount recognised in other comprehensive income is recycled to the income statement.

Financial assets are measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trade and other receivables are short-term receivables relating to non-financing transactions and are therefore subsequently measured at amortised cost using the effective interest method less loss allowance.

Receivables due in greater that one year are initially discounted to their present value using an equivalent rate of interest that would be due on borrowings. The discount is released over time to the Income Statement.

Cash and cash equivalents are measured at amortised cost.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the Group or Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Impairment

Expected credit losses are calculated on financial assets measured at amortised cost and are recognised within the income statement. For trade and other receivables, the Group and Company applies the simplified approach and the practical expedient permitted by IFRS 9 "Financial Instruments" to apply a provision matrix that is based on its historic default rates over the expected life of the short-term receivables.

Financial liabilities

Financial liabilities, with the exception of financial liabilities at or designated at fair value through profit or loss, are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derivative financial liabilities are initially measured at fair value and are subsequently measured at fair value at each reporting date.

Liabilities of CLOs consolidated by the Group are designated as financial liabilities measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss related to CLOs are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value recognised through the fair value remeasurements of investments line within the income statement along with interest paid on the CLO financial liabilities.

Amounts payable for purchases of CLO assets awaiting settlement are recognised at the point at which the CLO has a contractual obligation to exchange cash.

Deferred contingent consideration payable relating to business combinations is measured at fair value through profit or loss.

Borrowings are initially recognised at the amount of cash received from the bank, less separately incurred transaction costs. They are measured subsequently at amortised cost using the effective interest rate method.

Repurchase agreements are measured at fair value and fees associated with repurchase agreements are capitalised and amortised over the life of the agreement.

All of the Group's and Company's other financial liabilities are measured at amortised cost using the effective interest rate method.

The Group and Company derecognises financial liabilities when the Group's or Company's obligations are discharged, cancelled or expired.

Derivative instruments and hedge accounting

Derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value at each reporting date.

For derivatives designated as cash flow hedges, prior to their settlement the fair value movements on the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and within the cash flow hedge reserve within equity, while any ineffective portion is recognised immediately in the Income Statement as gain/loss on cash flow hedge within operating expenses. Amounts recognised in the Statement of Comprehensive Income are transferred to the Income Statement when the hedged transaction affects profit or loss, such as when the hedged cash flow occurs.

For derivatives that are not designated as cash flow hedges, all fair value movements are recognised in the Income Statement. Where a derivative relates to a hedge of investments in foreign currencies, the profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Income Statement.

Prior to their settlement, derivatives are carried as assets when the fair value is positive and as a liability when fair value is negative. The fair value of unsettled forward currency contracts is calculated by reference to the market for forward contracts with similar maturities.

(p) Investment in subsidiaries

Investments in subsidiaries in the Statement of Financial Position of the Company are recorded at cost less provision for impairments. All transactions between the Company and its subsidiary undertakings are classified as related party transactions for the Company accounts and are eliminated on consolidation.

(q) Investments in associates

Associates are entities in which the Group has an investment and over which it has significant influence, but not control, through participation in the financial and operating policy decisions. Such entities are funds or carried interest partnerships where the Group holds more than a 20% interest in the entity. The Group initially records the investment at fair value through profit or loss as operating income within the Income Statement. The investments are recorded as financial assets or carried interest receivable within the Group's Statement of Financial Position.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and call deposits, held at call with banks with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's other operating activities.

(s) Dividends

Dividends and other distributions to the Company's shareholders are recognised in the period in which the dividends and other distributions are paid to the shareholders. These amounts are recognised in the Statement of Changes in Equity.

(t) Own shares

Own shares are recorded by the Group when ordinary shares are purchased through special purpose vehicles, which have the purpose of purchasing and holding surplus shares of the Company from employees who have left the employment of the Group or from other means. The special purpose vehicles include Atlantic SAV Limited, Atlantic SAV 2 Limited and the Bridgepoint Group plc Employee Benefit Trust. These entities are aggregated together with the financial statements of the Company and are consolidated within the financial statements. Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. They are recognised as a deduction to retained earnings. When shares are sold, they are transferred at their weighted average cost. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

3 Critical judgements in the application of accounting policies and key sources of estimation uncertainty

The judgements and other key sources of estimation uncertainty at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below.

(a) Judgements

Consolidation of fund investments

The directors have considered whether the Group should consolidate investments in funds into the results of the Group. Control is determined by the extent of decision-making authority, rights held by other parties, remuneration and exposure to returns.

The directors have assessed the legal nature of the relationships between the Group, the relevant fund and fund investors and have determined that as the manager, the Group has the power to influence the returns generated by the fund, but the Group's interests typically represent only a small proportion of the total capital within each fund (c. 2% of commitments). The directors have therefore concluded that the Group acts as an agent, which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than act for its own benefit.

Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control through participation in the financial and operating policy decisions. This includes the Group's investment in Bridgepoint Credit "C" II LP, where the Group has a commitment of 27% in the fund. Details of the associate are set out within note 28 (d).

Returns from the Group's investments in Bridgepoint funds, including those considered associates, are accordingly measured at fair value through profit or loss as operating income within the Income Statement.

Consolidation of CLOs

The Group holds investments in the senior and subordinated notes of CLOs that it manages, predominately driven by risk-retention regulations. As the Group has power, as the asset manager, to impact the returns of the vehicles, the level of exposure to variable returns from its involvement as an investor in the notes requires assessment to whether this indicates the Group has a principal or agent relationship and therefore whether the CLO should be consolidated under IFRS 10 "Consolidated Financial Statements".

The Group consolidates Bridgepoint CLO 1 DAC ("CLO 1") as the Group has exposure to variable returns as an investor in the subordinated notes. The subordinated notes are the tranche that is most exposed to the risk of portfolio assets failing to pay as they are the first to absorb any losses. The Group holds the majority of the subordinated notes in CLO 1. The Group's holding is 55% and the directors have therefore concluded that the Group is principal and should consolidate.

The assets and liabilities of the CLO are held within separate legal entities and, as a result, the liabilities of the CLO are non-recourse to the Group. The consolidation of the CLOs has a significant gross-up on the Group's assets and liabilities, which is shown gross on the face of the statement of financial position and cash flow statement as separate lines but has no net effect on the profit or loss, cash flows or net assets. Details of the assets and liabilities are included in note 17 and 18.

Bridgepoint CLO 2 DAC ("CLO 2") was consolidated in the financial statements of the Group at 31 December 2020 during its warehousing and until its formal launch on 28 June 2021, as the Group held a majority interest in the warehouse equity. On its launch the Group's exposure to the variable returns reduced to 5% of all notes, therefore CLO 2 is not consolidated in the financial statements as at 31 December 2021.

Bridgepoint CLO 3 DAC ("CLO 3") was consolidated from the start of its warehousing in June 2021 until its formal launch to external investors on 22 December 2021. On its launch, the Group's holding was 7% of all notes, with a 31% interest in the subordinated notes and a minority exposure to the variable returns, therefore CLO 3 is treated as an associate in the financial statements as at 31 December 2021. Details of the associate are set out within note 28 (d).

Consolidation of Carried Interest Partnerships

As a fund manager to its Private Equity and Credit Funds, the Group participates in Carried Interest Partnerships ("CIPs"), the participants of which are the Group, certain of the Group's employees and others connected to the underlying fund. These vehicles have two purposes: 1) to facilitate payments of carried interest from the fund to carried interest participants, and 2) to facilitate individual co-investment into the funds.

The directors have undertaken a control assessment of each CIP in accordance with IFRS 10 "Consolidated Financial Statements" to consider whether they should consolidate the CIP.

The directors have considered the legal nature of the relationships between the relevant fund, the CIPs and the CIP participants and have determined that the power to control the CIPs (which are entitled to the carried interest from the funds) ultimately resides with the fund investors and that the Group is therefore an agent and not a principal.

This is because the purpose and design of the CIPs and the carry rights in the fund are determined at the outset by the fund's LPA which requires investor agreement and reflects investor expectations to incentivise individuals to enhance performance of the underlying fund. The Group does not primarily benefit as its principal revenue stream is management fees based on commitments or invested capital. While the Group has some power over the Adjudication Committees of the CIPs, these powers are limited and represent the best interests of all carried interest holders collectively and hence, these are assessed to be on behalf of the fund investors.

The directors have assessed the payments and the returns the carried interest holders make and receive from their investment in carried interest and have considered whether those carried interest holders who are also employees of the Group were providing a service for the benefit of the Group or the investors in the fund. The directors have concluded that the carried interest represents a separate relationship between the fund investors and the individual employees and that the carried interest represents an investment requiring the individuals to put their own capital at risk and that, after an initial vesting period, continued rights to returns from the investment is not dictated by continuation of employment.

In addition, the directors have also considered the variability of returns for all CIPs that currently have value under IFRS 15 "Revenue from contracts with customers" and in doing so have determined that the Group is exposed to limited variable returns in the range 5-26% with the main beneficiaries of the CIP variable returns being the other participants. The directors concluded that the CIPs are not controlled by the Group and therefore should not be consolidated.

Where the Group has a share of 20% or more of the rights to the carried interest, the Group is considered to have significant influence. Accordingly, the BDC III carry scheme, where the Group holds an interest of 26%, is considered an associate. Details of the associate are set out within note 28 (d).

Consolidation of employee share partnership

On listing, the founder employee shareholders created a separate ring-fenced vehicle, Burgundy Investments Holdings LP (the "Burgundy Partnership"). The Burgundy Partnership is a pool of assets, which will comprise the Company's shares and other investments. The shares were contributed by founder employee shareholders electing to donate a portion of their shares to the partnership. This pool is ring-fenced for allocating to future partners in the business, as a means of allowing them to build a meaningful long-term shareholding in Bridgepoint and other investments and reflect the opportunities that previous partners were offered. The existing employee shareholders prior to listing, and certain new employee partners, will wholly own the interest in the Burgundy Partnership.

The Group does not have any direct economic interest in the Burgundy Partnership, and awards of new points to existing and future employees will be made by the Advisory Committee of the Burgundy Partnership, which is made up of some of the largest founder employee shareholders.

The directors have considered the requirements of IFRS 10 "Consolidated Financial Statements" to determine whether they should consolidate the Burgundy Partnership. As the Group does not meet all three criteria: 1) power over the investee, 2) exposure, or rights, to variable returns from its involvement with the investee, and 3) the ability to use its power over the investee to affect its returns, they have concluded that the Burgundy Partnership should not be consolidated.

(b) Estimates

Recognition and measurement of carried interest revenue

Carried interest revenue is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund.

In determining the amount of revenue to be recognised the Group is required to make assumptions and estimates when determining (i) whether or not revenue should be recognised and (ii) the timing and measurement of such amounts.

The Group base their assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund. This includes the current fund valuation and internal forecasts on the expected timing and disposal of fund assets.

For private equity funds, the reversal risk is managed through the application of discounts of 30 to 50 percent to the fair values of unrealised investments where the realised and unrealised valuation of a fund exceeds the relevant carried interest hurdle.

For credit funds, which are more sensitive to the performance of individual investments within the portfolio, only funds that have either reached their hurdle or are expected to do so imminently are modelled on the same basis.

The discount applied for each fund depends on the specific circumstances of each fund, taking into account diversity of assets, whether there has been a recent market correction (and whether this has been already factored into the valuation of the fund) and the expected average remaining holding period. The level of discounts applied are reassessed annually.

A sensitivity analysis on the impact of a change in the fair value of unrealised investments has been included in note 5.

Notes to the consolidated and company financial statements continued

Valuation of fund investments at fair value

Fund investments at fair value consist of investments in private equity and credit funds. The investments are fair valued using the net asset value of each fund, determined by the Manager. These funds are invested into direct and indirect equity and debt investments.

Portfolio assets within each fund are stated at fair value as determined in good faith by the Manager in accordance with the terms of the LPA of each fund and the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") and are reviewed and approved by the relevant Bridgepoint Valuation Committee. The valuations provided by the Managers typically reflect the fair value of the Group's proportionate share of capital account balance of each investment as at the reporting date or the latest available date.

The market approach is typically used for the valuation of the assets. This comprises valuation techniques such as market comparable companies and multiple techniques. A market comparable approach uses quoted market prices or third-party quotes for similar instruments to determine the fair value of a financial asset. A multiple approach can be used in the valuation of less liquid securities, which typically form the majority of assets within a private equity or credit fund.

Comparable companies and multiple techniques assume that the valuation of unquoted direct investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. Comparable public companies are selected based on factors such as industry, size, stage of development and strategy. The most appropriate performance measure for determining the valuation of the relevant investment is selected (which may include EBITDA, price/earning ratios for earnings or price/book ratios for book values). Trading multiples for each comparable company identified are calculated by dividing the value of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued direct investment and the group of comparable companies. The indicated fair value of the direct investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company.

Where available, valuation techniques use market-observable assumptions and inputs. If such information is not available, inputs may be derived by reference to similar assets and active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Manager selects the non-market-observable inputs to be used in its valuation techniques based on a combination of historical experience, deviation of input levels based upon similar investments with observable price levels and knowledge of current market conditions and valuation approaches.

Within its valuation techniques the Manager typically uses different unobservable input factors. Significant unobservable inputs include EBITDA multiples (based on budget/forward-looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for an equivalent period), discount rates, price/earnings ratios and enterprise value/sales multiples. The Manager also considers the original transaction prices, recent transactions in the same or similar instruments and completed third party transactions in comparable instruments and adjusts the model as deemed necessary.

Debt instruments may be valued using the market approach, independent loan pricing sources or at amortised cost, which requires the determination of the effective interest rate from a number of inputs, including an estimation of the expected maturity of each loan.

Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and no observable price for each investment in a fund, fund investments at fair value are classified as level 3 financial assets under IFRS 13 "Fair Value Measurement".

Further detail on the valuation methodologies, inputs and the number of fund investments valued using each technique, along with a sensitivity analysis of the impact of a change in the fair value of fund investments is included within note 20 (a).

Valuation of CLO assets and liabilities

The loan asset portfolios of the consolidated CLO vehicles are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and from independent loan pricing sources. To the extent that the significant inputs are observable, the Group categorises these investments as Level 2.

CLO investments in debt instruments are classified as level 2 financial assets under IFRS 13 "Fair Value Measurement" on the basis that the prices have been corroborated externally.

The liabilities of consolidated CLOs are also fair valued through profit or loss. They are valued, based upon broker prices, which use discounted cash flow analyses with observable market data inputs, such as constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and therefore considered as level 3 financial liabilities under IFRS 13 "Fair Value Measurement". A sensitivity analysis has been included within note 20 (f).

Measurement of deferred contingent consideration payable

Under the sale and purchase agreement for EQT Credit the Group has an obligation to settle an amount of deferred contingent consideration on the completion of fundraising for Bridgepoint Direct Lending III and Bridgepoint Credit Opportunities IV. Both processes completed a first round of fundraising during 2021 and fundraising will continue during 2022 and is expected to complete in 2023. The amount payable has been based upon management's current best estimate of each fundraising, which is consistent with approved budgets.

A sensitivity analysis has been included within note 18 (b).

Measurement of intangible assets, useful lives and impairment

A customer relationship asset was recognised following the Group's acquisition in October 2020 of EQT Credit to reflect the value of current investor relationships to the Group in the future.

At the time of the acquisition, the cost of the acquired customer relationship was measured at fair value by discounting estimated contractual future cash flows over a period in which the customer was expected to remain invested within the Group's funds. Key assumptions in the model included forecast earnings for 2021 to 2025, a growth rate applied from 2025 onwards, which was based upon the long-term operating plan for the business, an investor reinvestment rate from one fund to another and a discount rate of 10.5%, which was calculated by using comparable company information.

The useful life of the intangible assets arising from this transaction have been determined as 7 years, which represents the period over which the net present value of cash flows from the acquired customer relationships reduce to nil.

The customer relationship asset is assessed for impairment when there are indicators of impairment. Such indicators would include fundraising lower than targets. No impairment has been identified.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. Goodwill arose from the acquisition of EQT Credit. It is the Group's judgement that the lowest level of cash generating unit ("CGU") used to determine impairment is the credit business segment. The Group has assessed that it consists of a single CGU for the purposes of monitoring and assessing goodwill for impairment. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill, using the value-in-use approach and compares this to the carrying value. In order to validate this, a value-in-use forecast based on approved budgets has been prepared by management to compare the forecast of the Credit business segment to the carrying amount of the goodwill. Key assumptions in the forecast include forecast earnings for 2022 to 2026, including new fundraising, and a pre-tax discount rate of 10.7%, which was calculated by using comparable company information.

A sensitivity analysis of goodwill and the intangible asset has been included within note 15.

4 Operating segments

The key management of the Group for the period up to the Admission to the London Stock Exchange was considered to be the directors of Bridgepoint Advisers Group Limited, a subsidiary company, and from Admission onwards the executive directors are considered to represent the key management of the Group. The Group is divided into operating segments based on how key management reviews and evaluates the operation and performance of the business. The operating segments correspond to the internal reporting used to assess performance and to allocate resources.

The Group's operations are divided into two groups, the Core business, consisting of the Private Equity and Credit fund management and associated Central support, and Other. Other includes the Group's procurement consulting business, PEPCO Services LLP, and costs relating to strategic projects.

The Group's core operations are divided into two business segments: Private Equity and Credit. The operations of both business segments consist of providing investment management services to the respective funds and their investors. The investment management services comprise of identification and structuring of new investments, the monitoring of investments and the sale and exit from investments. The two business segments are supported by the Central support functions which include investor relations, head office, finance, human resources, IT and marketing. Together the Private Equity, Credit and Central segments form the Core business.

Segmental Income Statement analysis

The executive directors assess the operating segments based on the line items below, primarily on operating income and operating profit.

The EBITDA for each segment (the segment result), together with depreciation and amortisation and net finance expense forms Profit before Tax. Depreciation, net finance expense and exceptional expenses are not allocated to operating segments and are included in the Group total. Foreign exchange gains/losses are allocated to Central.

The comparative period has been amended from the numbers included within the historical financial information included within the Prospectus to reclassify income and costs relating to the Group's Luxembourg fund administration platform to Central. There is no impact on EBITDA or profit before tax.

Group

Year ended 31 December 2021	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
Management fees	157.3	37.9	2.5	197.7	–	197.7
Carried interest	14.3	–	–	14.3	–	14.3
Fair value remeasurement of investments	54.5	2.4	–	56.9	–	56.9
Other operating income	0.8	–	–	0.8	0.9	1.7
Total operating income	226.9	40.3	2.5	269.7	0.9	270.6
Personnel expenses	(66.2)	(22.1)	(32.0)	(120.3)	(1.1)	(121.4)
Other expenses	(13.3)	(9.1)	(13.7)	(36.1)	(0.3)	(36.4)
Foreign exchange	–	–	1.1	1.1	–	1.1
EBITDA (excluding exceptional expenses)	147.4	9.1	(42.1)	114.4	(0.5)	113.9
Exceptional expenses						(28.6)
EBITDA (including exceptional expenses)						85.3
Depreciation and amortisation						(15.0)
Net finance expense						(7.7)
Profit before tax						62.6

Group

Year ended 31 December 2020	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
Management fees	136.6	10.2	1.8	148.6	–	148.6
Carried interest	12.9	–	–	12.9	–	12.9
Fair value remeasurement of investments	25.3	4.1	–	29.4	–	29.4
Other operating income	0.2	–	–	0.2	0.7	0.9
Total operating income	175.0	14.3	1.8	191.1	0.7	191.8
Personnel expenses	(54.5)	(11.6)	(28.7)	(94.8)	(1.2)	(96.0)
Other expenses	(10.6)	(2.5)	(15.7)	(28.8)	(0.4)	(29.2)
Foreign exchange	–	–	(0.2)	(0.2)	–	(0.2)
EBITDA (excluding exceptional expenses)	109.9	0.2	(42.8)	67.3	(0.9)	66.4
Exceptional expenses						(7.7)
EBITDA (including exceptional expenses)						58.7
Depreciation and amortisation						(8.8)
Net finance expense						(1.4)
Profit before tax						48.5

Geographical analysis and customer concentrations

The Group's income from funds is earned from funds entirely domiciled within Europe. The Group's operating expenses are incurred in the locations where the Group has offices, to identify and support portfolio companies which is unconnected to the domicile of the fund or the location of the fund investors. Therefore, the Group's operating results cannot be analysed in a meaningful way by geography.

No single fund investor constitutes more than 10% of assets under management.

Assets and liabilities analysis

The Group's statement of financial position is managed as a single unit rather than by segment. The only distinction for the business segments relates to the Group's investments in funds and the carried interest receivable, which can be split between private equity and credit (split between attributable to the Group and third party investors).

	31 December	
	2021 £ m	2020 £ m
Investments:		
Private equity	**217.9**	191.2
Credit (assets attributable to the Group)	**108.1**	64.2
Credit (CLO assets attributable to third party investors)	**274.5**	253.0
Total investments	**600.5**	508.4
Carried interest receivable:		
Private equity	**36.4**	24.9
Credit	**2.5**	3.0
Total carried interest receivable	**38.9**	27.9

5 Operating income

Operating income primarily comprises management fees, carried interest income and investment profits from the management of and investment in private equity and credit fund partnerships.

Management fees

Management fees are presented net of the profit or loss impact of the settlement of foreign exchange hedging used to limit the volatility of foreign exchange on fees earned in euros.

	Group	
	2021 £ m	2020 £ m
Gross management fees	196.7	148.0
Settlement of FX hedges	1.0	0.6
Management fees, net	197.7	148.6

Carried interest

The amount of carried interest recognised in operating income and the carrying value of the related asset is sensitive to the fair value of unrealised investment within each fund. The reversal risk in carried interest income, which is accounted for under IFRS 15 "Revenue from contracts with customers," is managed through the application of discounts of 30 to 50 percent to the fair value of the fund investments and the later recognition of carried interest relating to credit funds.

If the fair value of unrealised investments of each relevant fund had been higher/lower at each year end, the impact on carried interest income in each year is shown in the table below.

	Group	
Carried interest income:	2021 £ m	2020 £ m
10% lower value of unrealised assets	(4.2)	(2.9)
10% higher value of unrealised assets	5.4	2.9

As at 31 December 2021, the unrecognised carried interest asset due to the discounts applied is £49.3m (2020: £28.6m).

Note 20 (a) includes a sensitivity analysis for co-investment valuations and the impact on profit or loss.

Investment income

Investment income consists of net changes in the fair value of the Group's investments in private equity and credit funds.

Investment income is presented net of the profit or loss impact of the remeasurement of foreign exchange hedging used to limit the volatility of foreign exchange on investment income earned in euros.

	Group	
	2021 £ m	2020 £ m
Investment income	53.8	29.4
Remeasurement of FX hedges	3.1	–
Investment income, net	56.9	29.4

Investment income also includes the remeasurement of the fair value of investments in CLOs which are fully consolidated by the Group. The CLO investment expense is the amount of investment income due to third party note holders who have invested in the CLOs.

	Group	
	2021 £ m	2020 £ m
CLO investment income	3.0	3.3
CLO investment expense	(1.3)	(2.8)
CLO investment income, net	1.7	0.5

Other operating income

Other income includes fees and commissions receivable by the Group's procurement consulting business, PEPCO Services LLP.

	Group	
	2021 £ m	2020 £ m
Other operating income	**2.4**	1.8
Commissions payable	**(0.7)**	(0.9)
Total other operating income	**1.7**	0.9

6 Personnel expenses

Aggregate personnel expenses (including directors' remuneration) in each year were as follows:

	Group	
	2021 £ m	2020 £ m
Wages and bonuses	**104.4**	76.3
Social security costs	**15.8**	12.0
Pensions	**1.9**	1.6
Share-based payments	**3.2**	–
Other employee expenses	**7.4**	6.4
Total Personnel expenses	**132.7**	96.3

Total personnel expenses include £11.3m (2020: £0.3m) of exceptional expenses, and accordingly are excluded from the calculation of underlying profitability measures (see note 8 for further details).

a) Pensions

The Group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The scheme is a non-contributory scheme but does permit employee contributions.

b) Share-based payments

The total charge to the Income Statement for the year was £3.2m (2020: nil) and this was credited to the Share-based payments reserve in equity. Details of the different types of awards making up the charge are set out below.

In June 2021, the Company issued 612,000 A3 ordinary shares of £0.01 nominal value to certain employees for consideration of £1.50 per share. The A3 shares would vest on the fifth anniversary of their issue provided that the shareholder remains an employee throughout this period. As part of the Company's share reorganisation, the A3 shares were converted into ordinary shares. The fair value of the share issued was calculated as £3.96 per share. This was determined by a third party valuation.

In July 2021, as part of the Admission to the London Stock Exchange, the Company offered employees ordinary shares in the Company under the IPO Share Award. 870,090 ordinary shares were issued to employees as part of the IPO Share Award Plan, with the nominal value of £0.00005 per share being fully paid up. A further 29,053 ordinary shares are held in the Bridgepoint Group plc Employee Benefit Trust. The shares had a fair value of £3.50 per share, being the Admission Offer Price. The shares are generally forfeited to the Bridgepoint Group plc Employee Benefit Trust in the event that the relevant employee ceases employment or gives or is given notice to the same.

No other share-based payment awards were made during the year to 31 December 2021.

Notes to the consolidated and company financial statements continued

Group and Company

	Number		Fair value of award (£)	
	A3 Share Award	IPO Share Award	A3 Share Award	IPO Share Award
Opening	–	–	–	–
Share reorganisation/granted	612,000	870,090	3.96	3.50
Vested	–	–	3.96	3.50
Forfeited	(10,000)	(32,860)	3.96	3.50
Outstanding at 31 December 2021	**602,000**	**837,230**	**3.96**	**3.50**

c) Other employee expenses

Other employee expenses include insurance, healthcare, training and recruitment costs.

Staff numbers

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

	Group	
	2021 No.	2020 No.
UK	**207**	165
Other	**133**	117
Total	**340**	282

The Company has 4 employees (2020: nil).

7 Other expenses

Other expenses include expenditure on IT, travel and legal and professional fees. Other expenses include fees paid to the auditors for the audit of the Group and relevant subsidiary financial statements and other fees for other services and expenditure relating to low-value asset leases are required to be disclosed separately and are set out below.

a) Auditor's remuneration

PricewaterhouseCoopers LLP ("PwC") resigned as auditor of the Company and the Group on the Company's Admission to the London Stock Exchange. The table below sets out fees earned by PwC up until their resignation. Fees paid to PwC in the year ended 31 December 2020 included transaction related services relating to the acquisition of the EQT Credit business. Fees paid to PwC in the year ended 31 December 2021 included services relating to the IPO.

	Group	
Fees paid to PwC	**2021 £ m**	2020 £ m
Audit fees		
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	–	0.1
Fees payable to 'the external auditor for the audit of the accounts of the Company's subsidiaries	–	0.3
Total audit fees	–	0.4
Non-audit fees		
Tax compliance	**1.0**	0.1
Other non-audit services	**5.3**	1.6
Total non-audit fees	**6.3**	1.7
Total auditor's remuneration	**6.3**	2.1

Mazars LLP ("Mazars") were appointed to replace PwC. The table below sets out fees earned by Mazars in relation to the year ended 31 December 2021.

Fees paid to Mazars	Group 2021 £ m	Group 2020 £ m
Audit fees		
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	0.4	–
Fees payable to the external auditor for the audit of the Company's subsidiaries	0.8	–
Total audit fees	1.2	–
Non-audit fees		
Audit-related assurance services	0.1	–
Total non-audit fees	0.1	–
Total auditor's remuneration	1.3	–

b) Low-value asset leases

	Group 2021 £ m	Group 2020 £ m
Expense relating to low-value assets leases		
– Low-value assets leases	0.2	0.2

8 Exceptional items

The amounts shown in the table below have been recognised separately as exceptional where the income or expenditure is material, is not considered to be incurred in the normal course of business and without disclosure could distort an understanding of the financial statements. Accordingly, exceptional items are excluded from the calculation of underlying profitability measures.

Exceptional items in the year ended 31 December 2021 relate to costs associated with the Group's Admission to the London Stock Exchange, further costs relating to the Group's acquisition of EQT Credit and costs incurred in relation to potential acquisitions. Exceptional finance income relates to an unwind of a discount on deferred proceeds receivable. Further explanation is included below the table.

	Group 2021 £ m	Group 2020 £ m
Personnel expenses	11.3	0.3
Other expenses	17.3	7.4
Total exceptional expenses within EBITDA	28.6	7.7
Finance expenses	–	0.2
Total exceptional expenses	28.6	7.9

	Group 2021 £ m	Group 2020 £ m
Finance income	(3.8)	(4.4)
Total exceptional income	(3.8)	(4.4)

a) Exceptional personnel expenses

In 2021, exceptional personnel expenses arose from the IPO, including specific transaction related bonuses, share based payment expenses and associated social security costs, and from the acquisition of EQT Credit, including deferred transaction related bonuses and associated social security costs.

In the year ended 31 December 2020, exceptional personnel expenses represent deferred transaction related bonuses and associated social security costs relating to the EQT Credit acquisition.

b) Exceptional other expenses

In 2021, exceptional other expenses include professional costs relating to the IPO and costs incurred in relation to potential acquisitions. Separately, £18.4m of costs incurred during the IPO have been recognised within equity, which are considered to represent costs of issuing the related share capital on listing.

In the year ended 31 December 2020, exceptional other expenses represent transaction costs relating to the EQT Credit acquisition.

c) Exceptional finance income and expenses

In 2021, exceptional finance income of £3.8m (2020: £4.4m) relates to remeasurement and revaluation of the deferred contingent consideration payable to EQT AB and associated unwind of the discount and deferred proceeds receivable under the Investment Agreement with Dyal Capital Partners IV (C) LP. In the year ended 31 December 2020, exceptional finance expenses of £0.2m related to the unwind of the discount of the deferred contingent consideration payable to EQT AB.

9 Depreciation and amortisation

The following table summarises the depreciation and amortisation charge during the year.

	Group	
	2021 £ m	2020 £ m
Depreciation on property, plant and equipment	**11.9**	8.2
Amortisation of intangible assets	**3.1**	0.6
Total depreciation and amortisation	**15.0**	8.8

The amortisation of intangible assets is excluded from the calculation of underlying profitability measures in order to distinguish from underlying performance.

10 Finance income and expenses

	Group	
	2021 £ m	2020 £ m
Other finance income	**4.2**	4.7
Total finance income	**4.2**	4.7
Interest expense on bank overdrafts and borrowings	**(3.1)**	(3.1)
Interest expense on lease liabilities	**(2.8)**	(1.8)
Other finance expenses	**(0.4)**	(0.2)
Finance expense on amounts payable to related party investors in Opal Investments LP	**(5.6)**	(1.0)
Total finance expenses	**(11.9)**	(6.1)

a) Other finance income

The other finance income primarily relates to the unwind of discounting on the deferred proceeds receivable from Dyal Partners IV (C) LP of £2.6m (2020: £4.4m) and the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB (see note 18 (b) for further details) of £1.2m (2020: expense £0.2m). Both are considered exceptional income, and accordingly are excluded from the calculation of underlying profitability measures. Also included is the finance income on sub-leases of £0.4m (2020: £0.2m).

b) Other finance expenses

The other finance expenses includes facility fees which are being amortised over the term of the facility of £0.4m (2020: nil). In the year ended 31 December 2020, finance expenses of £0.2m related to the unwind of discounting of the deferred contingent payable to EQT AB (see note 18 (b) for further details) and is considered an exceptional expense, and accordingly excluded from the calculation of underlying profitability measures.

c) Finance expense on amounts payable to related party investors in Opal Investments LP

Finance expense on other financial liabilities represent amounts due to related party investors in the Opal Investments LP partnership under the limited partnership agreement (see note 18 (d) for further detail).

11 Tax expense

(a) Tax expense

Tax charged in the Income Statement:

	Group	
	2021 £ m	2020 £ m
Current taxation		
Current tax – current year	**2.8**	1.9
Current tax – prior year	**0.3**	–
Total current tax expense	**3.1**	1.9
Deferred taxation		
Deferred tax – current year	**2.8**	–
Deferred tax – prior year	**(1.1)**	(1.1)
Total deferred taxation	**1.7**	(1.1)
Tax expense	**4.8**	0.8

(b) Reconciliation of tax expense

The tax on profit before tax is different to the standard rate of corporation tax in the UK of 19% (2020: 19%) primarily due to timing differences on taxation of management fee income, losses carried forward, a proportion of which are not recognised, and other timing differences. The 2021 tax charge also includes the effect on deferred tax liabilities of the corporation tax rate increase from 19% to 25% effective from April 2023 and capital gains on cancellation of own shares.

	Group	
	2021 £ m	2020 £ m
Profit before tax	**62.6**	48.5
Tax on profit before taxation at the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	**11.9**	9.2
Non-taxable and non-deductible items	**(5.3)**	(28.7)
Deferred tax adjustments regarding management fee income and investments	**(13.9)**	4.7
Capital gains transferred	**3.1**	–
Effect of tax rate changes	**5.3**	1.2
Effect of foreign tax rates	**0.5**	1.3
Deferred tax not recognised	**4.0**	14.2
Prior year adjustment	**(0.8)**	(1.1)
Total tax expense for the year	**4.8**	0.8

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the change has been substantively enacted at the balance sheet date, the deferred tax balances have been revalued during the year ended 31 December 2021.

(c) Tax on amounts recognised directly in other comprehensive income

Tax on amounts recognised in other comprehensive income relate to deferred tax timing differences on foreign exchange forward contracts used for hedging purposes.

	2021 £ m	2020 £ m
Tax on amounts recognised in other comprehensive income	**(2.1)**	0.9

(d) Tax losses not recognised

The Group and Company have deferred tax assets of £113.1m (2020: £70.0m) and £1.1m (2020: nil) respectively as at 31 December 2021, relating to tax losses carried forward that have not been recognised due to the uncertainty of future taxable profits against which the asset can be utilised in the foreseeable future.

The Group has an asset of £25.0m (2020: £16.1m) and the Company an asset of £1.1m (2020: nil) that have been recognised where there is an expectation that the tax losses can be utilised against profits. See note 22 for further detail on deferred tax assets recognised.

12 Earnings per share

	Group	
	2021	2020
Profit attributable to equity holders of the Company (£m)	**57.8**	36.5
Weighted average number of ordinary shares for purposes of basic and diluted EPS (m)	**356.0**	3.1
Basic and diluted earnings per share (£)	**0.16**	11.59

The weighted average number of shares for the year ended 31 December 2021 reflects the number of shares both pre and post simplification of the share structure and issue of new shares in the IPO. Had the shares in issue at 31 December 2021 been in issue throughout 2021, the weighted average number of shares would have been 823.3m and the earnings per share would have been £0.07. The 2020 equivalent earnings per share for the number of shares in issue at 31 December 2021 would have been £0.04.

The adjusted earnings per share on underlying profit after tax of £85.7m based on the number of shares in issue at 31 December 2021 is £0.10 (2020: £0.06 on underlying profit after tax of £51.8m gross of non-controlling interests).

See note 23 for further details on the changes in the number of shares.

The number of ordinary shares included in the calculation of earnings per share excludes own shares held by the Group.

13 Property, plant and equipment

Group

Cost	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	Total £ m
Balance at 1 January 2021	50.1	9.9	10.0	70.0
Foreign exchange	–	(0.2)	(0.1)	(0.3)
Additions	65.1	5.5	1.0	71.6
Disposals	(37.8)	–	(0.1)	(37.9)
Balance at 31 December 2021	77.4	15.2	10.8	103.4
Accumulated depreciation				
Balance at 1 January 2021	(17.5)	(4.3)	(6.6)	(28.4)
Foreign exchange	–	0.1	0.1	0.2
Depreciation	(9.0)	(1.4)	(1.5)	(11.9)
Disposals	12.3	–	0.2	12.5
Balance at 31 December 2021	(14.2)	(5.6)	(7.8)	(27.6)
Carrying value at 31 December 2021	63.2	9.6	3.0	75.8

Group

Cost	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	Total £ m
Balance at 1 January 2020	50.4	8.7	7.8	66.9
Foreign exchange	–	0.1	0.1	0.2
Additions	–	1.1	2.1	3.2
Disposals	(0.3)	–	–	(0.3)
Balance at 31 December 2020	50.1	9.9	10.0	70.0
Accumulated depreciation				
Balance at 1 January 2020	(11.3)	(3.4)	(5.5)	(20.2)
Depreciation	(6.2)	(0.9)	(1.1)	(8.2)
Balance at 31 December 2020	(17.5)	(4.3)	(6.6)	(28.4)
Carrying value at 31 December 2020	32.6	5.6	3.4	41.6

The Company has no plant, property or equipment.

14 Business combinations

On 23 October 2020, the Group acquired 100% of the equity instruments in entities representing the EQT Credit fund management business and interests in certain funds and carried interest managed by EQT Credit, for initial cash consideration of £98.9m (including liabilities incurred) and a deferred element of up to €50.0m (£42.0m), which is payable to EQT AB based on the outcome of fundraising for certain funds. This excludes consideration paid in relation to the acquisition of the interests in funds and carried interest which has been detailed in note 16 and 17. The acquisition was undertaken to increase the scale of the Group's credit offering.

The amount of deferred consideration recorded of £30.3m (2020: £31.6m) is based on management's expectation of the fundraising at the acquisition date and adjusted thereafter for any change in expectation and at current exchange rates. The deferred consideration is expected to be paid in 2023. See note 18 (b) for further detail.

As part of the acquisition of the EQT Credit business, the Group also acquired an interest in CLO notes in CLO 1 and CLO 2 for cash consideration of £23.6m. On acquisition, as an investor in the subordinated notes, the Group has exposure to variable returns and was considered to have both power over the investee and the ability to use that power and so was required to consolidate the CLO vehicles. On CLO 2's formal launch on 28 June 2021, the Group's exposure to the variable returns was reduced to 5% of all notes, therefore CLO 2 is not consolidated in the financial statements as at 31 December 2021.

The following table summarises the consideration paid by the Group, the fair value of assets acquired and liabilities assumed at the acquisition date. This excludes consideration paid in relation to the acquisition of the interests in funds and carried interest.

Group

Fair value of assets acquired	Total £ m
Intangible assets	21.2
Cash and cash equivalents	18.0
Trade debtors	8.4
Trade creditors	(19.1)
Total identifiable EQT Credit net assets acquired	28.5
CLO assets	173.6
CLO cash	1.9
CLO liabilities	(151.9)
Total identifiable CLO net assets acquired	23.6
Deferred tax liabilities	(4.0)
Goodwill	105.1
Total purchase consideration	153.2

Goodwill arising from the acquisition is attributable to the workforce and track record of the acquired business.

Adjustments to book values arising on acquisition were principally in relation to the recognition of acquired fund management contracts as intangible assets and deferred tax liabilities in relation to the amortisation of the intangible assets and goodwill. The useful life of intangible assets is estimated to be 7 years, which represents the period over which the net present value of cash flows from the acquired investor relationships reduce to nil.

The acquisition costs of the business combination were £7.4m and were recognised in the Income Statement as an exceptional expense.

15 Goodwill and intangible assets

Group

Cost	Goodwill £ m	Intangibles £ m	Total £ m
Balance at 1 January 2021	105.1	21.2	126.3
Balance at 31 December 2021	105.1	21.2	126.3
Accumulated depreciation and impairment			
Balance at 1 January 2021	–	(0.6)	(0.6)
Amortisation	–	(3.1)	(3.1)
Balance at 31 December 2021	–	(3.7)	(3.7)
Carrying value			
Balance at 1 January 2021	105.1	20.6	125.7
Balance at 31 December 2021	105.1	17.5	122.6

Group

Cost	Goodwill £ m	Intangibles £ m	Total £ m
Balance at 1 January 2020	–	–	–
Additions	105.1	21.2	126.3
Balance at 31 December 2020	105.1	21.2	126.3
Accumulated depreciation and impairment			
Balance at 1 January 2020	–	–	–
Amortisation	–	(0.6)	(0.6)
Balance at 31 December 2020	–	(0.6)	(0.6)
Carrying value			
Balance at 1 January 2020	–	–	–
Balance at 31 December 2020	105.1	20.6	125.7

The goodwill arose following the acquisition of EQT Credit in 2020. All goodwill is attributable to the Credit operating segment.

Goodwill is required to be assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill, using the value-in-use approach and compares this to the carrying value. The value-in-use is determined by discounting the expected future cash flows generated from the continuing use of the Credit operating segment and is based on the following key assumptions:

- The cash flows are projected based on the actual operating results and a five-year estimate (2022-2026). Cash flows for the time thereafter are taken into account by calculating a terminal value based on the discount factor applied by the Group.
- Operating profits are based on Board approved income, future fundraising, deployment of capital and costs of the business, taking into account growth plans for the Credit business as well as past experience.
- A pre-tax discount rate of 10.7%, which is based on the Group's weighted average cost of capital, is applied in determining the recoverable amount.
- A long-term growth rate of 5.0%, which is based on an assessment of the private debt industry rates of growth, and management's experience, is applied to the terminal value.

As at 31 December 2021 a significant headroom is noted, and therefore no impairment is identified (2020: nil). The Credit business would need to fall short of its projected profit margins by over 76.0% over the period 2022 to 2026 for the goodwill to be impaired.

The intangible asset represents a customer relationship asset which arose as part of the acquisition of EQT Credit.

The intangible asset was valued based on a number of assumptions. These include profit margins, size of funds, level of reinvestment/attrition in new funds and the discount rate applied to the projections. The valuation is sensitive to any number of changes to one or a combination of these assumptions. As an illustration, a +/-20% change to the level of investor reinvestment has a £6m impact on the carrying value of the intangible assets.

The Company has no goodwill or intangibles.

16 Carried interest receivable

The carried interest receivable relates to revenue which has been recognised by the Group relating to its share of fund profits through its holdings in CIPs.

Revenue is only recognised to the extent it is highly probable that the revenue recognised would not result in significant revenue reversal of any accumulated revenue recognised on the completion of a fund. The reversal risk is mitigated through the application of discounts. If adjustments to the carried interest receivable recognised in previous periods are required, they are adjusted through revenue.

A sensitivity analysis of the impact of a change in the value of unrealised fund assets is included within note 5.

	Group	
	2021 £ m	2020 £ m
Opening balance	**27.9**	13.0
Purchases	**–**	4.1
Income recognised in the year	**15.2**	12.2
Foreign exchange movements	**(1.1)**	0.7
Receipts of carried interest	**(3.1)**	(2.1)
Closing balance	**38.9**	27.9

The Company has no carried interest receivable.

17 Financial assets

(a) Classification of financial assets

The following tables analyse the Group and Company's assets in accordance with the categories of financial instruments in IFRS 9 "Financial Instruments". Assets which are not considered as financial assets, for example prepayments and lease receivables, under IFRS 9 are also shown in the table in a separate column in order to reconcile to the face of the Statement of Financial Position.

Group

As at 31 December 2021	**Fair value through profit or loss £ m**	**Hedging derivatives £ m**	**Financial assets at amortised cost £ m**	**Assets which are not financial assets £ m**	**Total £ m**
Fair value of fund investments	313.7	–	–	–	313.7
Fair value of CLO assets	286.8	–	–	–	286.8
Trade and other receivables	–	–	76.4	28.7	105.1
Derivative financial instruments	–	9.9	–	–	9.9
Cash and cash equivalents	–	–	323.1	–	323.1
CLO cash	–	–	4.2	–	4.2
Total	600.5	9.9	403.7	28.7	1,042.8

Group

As at 31 December 2020	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Fair value of fund investments	235.9	–	–	–	235.9
Fair value of CLO assets	272.5	–	–	–	272.5
Trade and other receivables	–	–	173.0	10.6	183.6
Derivative financial instruments	–	0.7	–	–	0.7
Cash and cash equivalents	–	–	42.3	–	42.3
CLO cash	–	–	114.8	–	114.8
Total	508.4	0.7	330.1	10.6	849.8

Company

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Trade and other receivables	–	–	106.5	–	106.5
Cash and cash equivalents	–	–	159.0	–	159.0
Total	–	–	265.5	–	265.5

Company

As at 31 December 2020	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Trade and other receivables	–	–	–	–	–
Cash and cash equivalents	–	–	9.4	–	9.4
Total	–	–	9.4	–	9.4

(b) Fair value of fund investments

Investments representing the Group's interests in private equity and credit funds are initially recognised at fair value and subsequently measured at fair value through the Income Statement within operating income.

The investments primarily consist of loans or commitments made in relation to the Bridgepoint VI, V and III private equity funds, the Bridgepoint Credit I, II, Direct Lending I, II and Credit Opportunities III funds.

The fund investments are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

	Group	
	2021 £ m	2020 £ m
Opening balance	235.9	206.1
Additions	92.7	49.6
Change in fair value	65.7	20.1
Foreign exchange movements	(14.7)	11.3
Receipts	(65.9)	(51.2)
Closing balance	313.7	235.9

The Company has no investment in funds at 31 December 2021 (2020: nil).

(c) Fair value of CLO assets

The balance shown includes the gross value of the assets held by CLO 1 (2020: CLO 1 and CLO 2), which is consolidated by the Group, but of which the Group only holds the right and liabilities in relation to a small portion. The CLO assets are measured at fair value through profit or loss as the business model of each vehicle is to manage the assets and to evaluate their performance on a fair value basis.

	Group	
	2021 £ m	2020 £ m
Fair value of CLO assets consolidated by the Group	**286.8**	272.5
Fair value of CLO assets attributable to third party investors	**(274.5)**	(253.0)
Group's exposure to consolidated CLO assets	**12.3**	19.5

The Company has no investments in CLO assets at 31 December 2021 (2020: nil).

(d) Derivative financial assets

	Group	
	2021 £ m	2020 £ m
Derivative financial assets:		
Forward contracts	**9.9**	0.7

The derivative financial assets relate to forward contracts that are used to hedge foreign exchange risk. Further detail on the hedging programme is set out in note 20 (b).

The Company has no derivative financial assets at 31 December 2021 (2020: nil).

(e) Trade and other receivables

	Group		Company	
	2021 £ m	2020 £ m	**2021 £ m**	2020 £ m
Non-current:				
Trade receivables	**16.9**	6.9	–	–
	16.9	6.9	–	–
Current:				
Trade receivables	**16.0**	13.1	–	–
Accrued income	**2.8**	1.0	–	–
Prepayments	**11.4**	3.5	–	–
Other receivables	**58.0**	47.4	**106.5**	–
Deferred proceeds receivable	–	111.7	–	–
	88.2	176.7	**106.5**	–
Total trade and other receivables	**105.1**	183.6	**106.5**	–

There are no material differences between the above amounts for trade and other receivables and their fair value.

i) Other receivables

Other receivables primarily relate to amounts to be invoiced to funds managed by the Group in relation to costs incurred on their behalf. Such costs include deal and fundraising expenditure. Amounts receivable from the funds at year end were £37.6m (2020: £27.7m). Amounts receivable from portfolio companies of the funds at the end of the year were £2.1m (2020: £1.6m).

ii) Deferred proceeds receivable

Deferred proceeds receivable relate to additional consideration payable under an Investment Agreement with a shareholder of the Group, Dyal Capital Partners IV (C) LP. The outstanding amount at 31 December 2020 was paid during 2021.

Notes to the consolidated and company financial statements continued

iii) Cost of acquisition

Current and non-current trade and other receivables also include the deferred cost of acquisition and consist of expenditure in excess of the cap within the LPA and fees paid to placement agents. Such costs are capitalised as a non-current asset and amortised between three and five years. The movement in the capitalised costs of acquisition is set out in the following table.

	Group	
	2021 £ m	2020 £ m
Opening balance	**1.1**	2.0
Additions	**–**	0.6
Amortisation	**(1.0)**	(1.5)
Closing balance	**0.1**	1.1

iv) Lease receivables

Non-current and current trade and other receivables include lease receivables on sub-let office premises. Two of the sub-leases run until the end of the related head lease and expire on 31 December 2027. The third sub-lease runs for 10 years and expires on 16 August 2031. The undiscounted cashflows for these lease receivables during the year ended 31 December 2021 were £1.0m (2020: £1.0m). The finance income earned on the subleases during the year ended 31 December 2021 were £0.4m (2020: £0.2m).

The following table sets out the maturity analysis of lease receivables, showing undiscounted lease payments to be received after the reporting date.

	Group	
	2021 £ m	2020 £ m
Due within 1 year	**1.4**	1.0
Due between 1-2 years	**2.5**	1.0
Due between 2-3 years	**2.5**	1.0
Due between 3-4 years	**2.5**	1.0
Due between 4-5 years	**2.5**	1.0
Due more than 5 years	**7.9**	2.1
Total undiscounted lease payments receivable	**19.3**	7.1
Unearned finance income	**(3.1)**	(0.9)
Net investment in leases	**16.2**	6.2
Current	**0.8**	0.8
Non-current	**15.4**	5.4
	16.2	6.2

The Company does not have any lease receivables.

(f) Cash and cash equivalents

	Group		Company	
	2021 £ m	2020 £ m	**2021 £ m**	2020 £ m
Cash and cash equivalents	**323.1**	42.3	**159.0**	9.4
CLO cash	**4.2**	114.8	**–**	–
	327.3	157.1	**159.0**	9.4

CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's other operating activities.

There are no material differences between cash and cash equivalents and CLO cash and their fair value.

18 Financial liabilities

(a) Classification of financial liabilities

The following tables analyse the Group and Company's financial liabilities in accordance with the categories of financial instruments in IFRS 9 "Financial Instruments". Liabilities such as deferred income, long-term employee benefits, social security and other taxes are excluded as they do not constitute a financial liability under IFRS 9 are shown in the table in a separate column in order to reconcile to the face of the Statement of Financial Position.

Group

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	30.3	–	39.0	64.4	133.7
Other financial liabilities	18.8	–	28.1	–	46.9
Lease liabilities	–	–	84.8	–	84.8
Fair value of CLO liabilities	242.9	–	–	–	242.9
CLO purchases awaiting settlement	–	–	35.8	–	35.8
Total	292.0	–	187.7	64.4	544.1

Group

As at 31 December 2020	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	31.6	–	35.6	50.9	118.1
Borrowings	–	–	99.7	–	99.7
Other financial liabilities	6.2	–	–	–	6.2
Lease liabilities	–	–	42.0	–	42.0
Derivative financial instruments	–	4.9	–	–	4.9
Fair value of CLO liabilities	274.5	–	–	–	274.5
CLO purchases awaiting settlement	–	–	93.2	–	93.2
Total	312.3	4.9	270.5	50.9	638.6

Company

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	–	–	23.1	–	23.1
Total	–	–	23.1	–	23.1

Company

As at 31 December 2020	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	–	–	0.9	–	0.9
Total	–	–	0.9	–	0.9

(b) Trade and other payables

	Group		Company	
	2021 £ m	2020 £ m	**2021 £ m**	2020 £ m
Amounts due in more than one year:				
Deferred contingent consideration payable	**30.3**	31.6	**–**	–
Management incentive scheme	**12.6**	–	**–**	–
Accrued expenses	**0.6**	0.6	**–**	–
	43.5	32.2	**–**	–
Amounts due within one year:				
Trade payables	**8.0**	5.1	**–**	–
Accrued expenses	**70.2**	78.2	**2.9**	–
Amounts due to related parties	**0.7**	–	**20.2**	0.9
Social security and other taxes	**2.7**	2.4	**–**	–
Other payables	**8.6**	0.2	**–**	–
	90.2	85.9	**23.1**	0.9
Total trade and other payables	**133.7**	118.1	**23.1**	0.9

i) Deferred contingent consideration

The deferred contingent consideration is payable to EQT AB and relates to the outcome of fundraising for the Bridgepoint Direct Lending III and Bridgepoint Credit Opportunities IV funds. The maximum amount payable is €50.0m (£42.0m). Both funds completed a number of rounds of fundraising during 2021 and fundraising will continue during 2022 and is expected to complete in 2023. The amount payable has been based upon management's current best estimate of each fundraising. Were the eventual fund sizes over 40% lower than the estimate used within the financial statements, no deferred contingent consideration would be payable. The fund sizes would need to be 15% higher than the estimate for the maximum deferred contingent consideration to be payable.

ii) Management incentive scheme

In April 2021, a subsidiary company, Bridgepoint Credit Holdings Limited, issued shares to certain employees of the Group as part of a management incentive scheme. The shares are subject to a put and call option, whereby the participating employees have the option to sell and the Group has the option to buy back the shares in the future based upon a pre-determined formula which considers the amount of funds raised and the resulting management fees over a five year-period. The scheme has been accounted for as a other long-term employment benefit under IAS 19 "Employment Benefits". As at 31 December 2021, the expense and corresponding liability has been based upon funds raised and expected management fees which exceed the targets at that date.

iii) Accruals and deferred income

Accruals and deferred income include amounts that have been incurred, but not yet invoiced, employee bonuses and amounts that have been received in relation to fund management activity for services that have not been provided, but are owed to the Bridgepoint funds

iv) Other payables

Other payables include costs due to be incurred on the assignment of a lease.

There are no material differences between the above amounts for trade and other payables and their fair value.

(c) Borrowings

	Group	
	2021 £ m	2020 £ m
Liabilities held at amortised cost:		
Bank loans due in less than one year	**–**	99.7

On 19 October 2020, Bridgepoint Advisers Holdings, entered into a Revolving Facility Agreement for £125m for a period of three years. At 31 December 2021 there were no drawn amounts on the facility (2020: £90.7m drawn). Loan arrangement fees of £1.25m have been capitalised and are being amortised over the life of the facility. At 31 December 2021 the unamortised fees are £0.7m (2020: £1.2m).

On 17 October 2017, Opal Investments LP, a subsidiary, entered into a Revolving Credit Agreement for €40.0m for a period of 50 months. On 31 January 2020 the size of the facility was reduced to €25.0m and on 9 October 2020 was reduced to €15.0m. The facility was cancelled in October 2021 having been fully repaid in July 2021. At 31 December 2020, £10.1m had been drawn on the facility.

There are no material differences between the above amounts for borrowings held at amortised cost and their fair value.

The Company has no borrowings at 31 December 2021 (2020: nil).

(d) Other financial liabilities

	Group	
	2021 £ m	2020 £ m
Liabilities held at amortised cost:		
CLO repurchase agreement	**28.1**	–
	28.1	–

The Group has entered into an arrangement to sell and repurchase an interest in CLO 2 and 3. For CLO 2, the repurchase liability is €14.9m (£12.5m) and will be repaid at face value as at the scheduled repurchase date of 15 April 2035, unless an earlier date is agreed as per the agreement. For CLO 3, the repurchase liability is €18.6m (£15.6m) and will be repaid at face value as at the scheduled repurchase date of 15 January 2036, unless an earlier date is agreed as per the agreement.

	Group	
	2021 £ m	2020 £ m
Liabilities held at fair value through profit and loss:		
Amounts payable to related party investors in Opal Investments LP	**9.5**	3.8
Amounts payable to related party investors in intermediate fund holding entities	**9.3**	2.4
	18.8	6.2

(i) Amounts payable to related party investors in Opal Investment LP

The Group has an investment in Opal Investments LP, which is an investor in the Bridgepoint Europe V Fund partnerships. Under the limited partnership agreement, related party investors had the right to receive up to 100% of the profits from the partnership unless the Group exercised an option to trigger up to 85% of the profits of the partnership from the date of the exercise of the option. Effective 31 December 2020, the option was exercised therefore 85% of the accumulated profits from the partnership were allocated to the equity shareholders of the Company from non-controlling interests. 15% of the residual profits are classified as a financial liability payable to related party investors.

(ii) Amounts payable to related party investors in intermediate fund holding entities

The Group consolidates a number of limited partnerships through which some of the Group's investment in funds is held. The Group's interest only constitutes a portion of the total and therefore other financial liabilities include the fair value of the amounts due to external parties, who are related party investors, under the limited partnership agreement.

The Company has no other financial liabilities at 31 December 2021 (2020: nil).

(e) CLO liabilities

	Group	
	2021 £ m	2020 £ m
Liabilities held at fair value through profit and loss:		
Liabilities of CLOs consolidated by the Group (non-current)	**241.4**	256.6
Liabilities of CLOs consolidated by the Group (current)	**1.5**	17.9
	242.9	274.5

CLO liabilities are designated as financial liabilities at fair value through profit and loss.

Financial liabilities held at fair value through profit or loss represent notes and loans issued by CLOs which are consolidated by and have been originated by the Group. They are initially recognised and subsequently measured at fair value with gains or losses arising from changes in fair value and interest paid on financial instruments recognised through investment income in the Income Statement.

The notes and loans issued by CLOs have rights to the assets of the respective CLO and there is no recourse to the Group.

(f) CLO purchases awaiting settlement

	Group 2021 £ m	Group 2020 £ m
CLO purchases awaiting settlement	**35.8**	93.2
	35.8	93.2

(g) Derivative financial liabilities

	Group 2021 £ m	Group 2020 £ m
Derivative financial liabilities:		
Forward contracts	**–**	4.9

The derivative financial liabilities relate to forward contracts that are used to hedge foreign exchange risk. Further detail on the hedging programme is set out in note 20 (b).

The Company has no derivative financial liabilities (2020: nil).

(h) Commitments

The Group's undrawn capital commitments to the Bridgepoint funds at each year end is shown in the table below. Capital commitments are called over time, typically between one to five years following the subscription of the commitment. Capital commitments are a financial liability, but the Group does not have an obligation to pay cash until the capital is called. Commitments may increase where distributions made by the fund are recallable.

	Group 2021 £ m	Group 2020 £ m
Private equity funds	**113.7**	135.3
Credit funds	**28.5**	27.6
	142.2	162.9

19 Lease liabilities

	Group 2021 £ m	Group 2020 £ m
Lease liabilities		
Current	**4.0**	6.1
Non-current	**80.8**	35.9
	84.8	42.0

The lease liabilities relate to rental payments in respect of the Group's rented offices. The lease contracts range from 5 to 10 years.

The lease liability is initially measured at the net present value of future lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's IBR. Generally, the Group uses its IBR as the discount rate as the implicit rate is not readily determinable for the rented office premises.

The lease contracts include either inflationary increases to the rent payable or periodic review of the rent payable. The liability has been determined at each period end, based upon expected changes in the contractual rent payable, as well as any planned exercise of any break/early exit.

A number of leases have extension options which have not been incorporated into the lease liability on the basis that the Group does not currently expect to take them.

The lease liability is therefore sensitive to assumptions relating to the selection and application of the IBR and those relating to the exercise/non-exercise of lease break clauses.

The Group periodically reassesses the lease term and this assessment is based on all relevant facts and circumstances. Should a change occur, the Group modifies the lease liability and associated right of use asset to reflect the remaining expected cash flows.

The IBR has been determined by combining the relevant reference risk free rate for each currency, consideration of adjustments for country specific risks and applying a financing spread observable to comparable companies. In order to validate the reasonableness of the IBR, it has been compared to the margin payable on the Group's Revolving Credit Facility, and found to be comparable. If the IBR had been 1% higher/lower, the impact on the lease liability would be:

	Group	
	2021 £ m	2020 £ m
Increase of 1%	**(3.5)**	(1.3)
Decrease of 1%	**3.8**	1.3

All lease liabilities have been modelled to the end of their non-cancellable lease term, or where expected to be exercised to the break date. Therefore, the lease exposure stated is the maximum exposure, ignoring any extension options.

The lease payments are allocated between principal and finance expense. The finance expense is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The Consolidated Income Statement includes the following amounts relating to the lease liabilities:

	Group	
	2021 £ m	2020 £ m
Interest on lease liability	**2.8**	1.8

The lease liability excludes those leases which have not yet commenced, but to which the Group is committed.

Details of leases that the Group is committed to but have not yet commenced are:

Lease start date	**Indicative IBR %**	**Right-of-use asset £ m**	**Lease liability £ m**
1 April 2022	3.8	1.4	(1.4)
1 May 2022	3.3	0.9	(0.9)

The Company has no lease liabilities (2020: nil).

20 Financial risk management

In its activities, the Group is exposed to various financial risks: price/valuation risk, market risk (including exposure to interest rates and foreign currencies), liquidity risk and credit risk arising from financial instruments. The Group's senior management is responsible for the creation and control of an overall risk management policy in the Group.

The Group's balance sheet is made up predominately of investments into private equity and credit funds, consolidated CLO assets and cash and cash equivalents. The assets of a private equity fund are controlling or minority stakes, typically in private companies, and their debt. The assets of credit funds and the consolidated CLO vehicles are loans to private companies. The financial risks relating to such investment are inherently different, due to the nature of the investment as equity or debt and recovery and returns from capital invested will depend upon the financial health and prospects of each underlying investee entity. As part of their construction, each fund is constructed as a diversified portfolio of assets, diversified by the number of assets, their industry and geography.

Risk management policies are established to identify and analyse the risks faced by the Group and to set appropriate risk limits and controls. Policies are reviewed on a regular basis to reflect changes in the market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's balance sheet is made up predominantly of an investment in subsidiary and cash and cash equivalents.

(a) Price/valuation risk

Price/valuation risk is the uncertainty about the difference between the reported value and the price that could be obtained on exit or maturity. This relates to investments in funds, which hold portfolios of private equity and debt investments, and the investments held by consolidated CLOs.

This uncertainty arises due to the use of unobservable inputs, such as EBITDA, in the calculation of fair value, the performance and financial health of portfolio companies, and ultimately – as it relates to investments in private equity – what a third party may be willing to pay for the business. There is less uncertainty for investments in debt as the upside is capped to the maximum of the principal and interest receipts, whereas private equity investments have greater potential for larger changes in their valuation as the upside is not capped.

The Group monitors the performance of each investment closely. Portfolio monitoring is embedded and maintains focus throughout the investment life of each company. All investments are formally reviewed through dedicated Portfolio Monitoring Committees. The review process involves a rigorous assessment of the company financial performance, financial health (including covenant coverage) and exit prospects.

The Group values all investments in line with the IPEV Guidelines at least twice a year, and in most cases quarterly. Each investment undergoes the same detailed valuation process, in accordance with the Group's valuation policies. Completed valuations are presented and discussed at the relevant Bridgepoint valuation committee for approval.

The number of unique investments that the Group indirectly invests into through its investments in private equity and credit funds is numerous, it is not practical to provide a summary of the principal inputs into each investment. The table below summarises the valuation methodologies used to fair value investments in private equity and credit funds which are classified as level 3 financial assets. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and no observable price for each investment in a fund, fund investments at fair value are classified as level 3. Whilst some assets held by the funds may be classified as level 2 instruments, the Group does not consolidate the funds and treats the unit of account as the fund rather than the individual asset.

Nature of investments	Fair value at 31 December 2021 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Private equity funds	217.9	69	Earnings	Where a portfolio company is profitable and for which a set of listed companies and precedent transactions are available. This is the most commonly used private equity valuation methodology.	Earnings multiples are applied to the earnings of each portfolio company to determine the enterprise value. The most common measure of earnings is EBITDA. Earnings are adjusted for non-recurring items and run-rate adjustments to arrive at maintainable earnings. Earnings are usually obtained from portfolio company management accounts or forecast / budgeted earnings, as considered appropriate. When selecting earning multiples consideration is given to: – The original transaction price/entry multiple; – Recent transactions in the same or similar instruments; – Relevant comparable listed company multiples; and – Exit expectations and other company specific factors. The resulting enterprise value is then adjusted to take into account the capital structure of the portfolio company, including any assets or liabilities such as cash or debt that should be included. The funds share of the value is calculated by calculating its holding. At 31 December 2021, 97% of private equity fund investments were valued using the earnings multiples approach.
			Listed price	Where a portfolio company has instruments traded on a recognised exchange the traded price is used to value the investment.	The traded price is applied to the number of shares held by the fund in the portfolio company. The value is then adjusted to take into account any assets or liabilities in holding entities outside of the listed company. As at 31 December 2021, there were two listed portfolio companies (3%) which were priced using the prevailing share price.

Nature of investments	Fair value at 31 December 2021 (£m)	Number of unique investments	Valuation methodology	Description	Inputs
Credit funds	382.6	194	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	Market prices can be obtained from third-party market price aggregation services or broker quotes where there is an active market. The extent to how active the market is, depends upon the 'depth' of the pricing, (being the number of distinct price quotations available from different sources). Before the use of market pricing, consideration is given to identify anomalies or other inaccuracies in market pricing or whether there are other factors that should be considered, for example, recent transactions. As at 31 December 2021, 8% of the Credit fund assets (excluding CLOs) were priced using market prices. 99% of the CLO fund assets were priced using market prices.
			Amortising to par method	Where a performing loan that has been originated is valued based upon its amortised cost.	Provided that there are no circumstances which indicate a material underperformance or inability of the borrower to pay interest or repay the principal, the valuation of loans that have been originated is determined by apportioning any arrangement fees, similar fees or discount on a linear basis over the anticipated holding period (which is typically three years). As at 31 December 2021, 82% of the Credit fund assets were priced using the amortising to par method.
			Earnings	Where a loan may be impaired an earnings basis is typically used to determine the enterprise value of the borrower, following which a waterfall approach is used to determine the value of the loan.	Where there are circumstances which indicate there is risk of non-performance of the borrower, the enterprise value of the borrower will typically be determined in accordance with an earnings methodology (as described above), following which a waterfall approach is used to determine the value of the loan. As at 31 December 2021, 4% of the Credit fund assets were priced using earnings basis.
			Other	Other valuation techniques may be utilised where the above methodologies are not deemed appropriate.	Considering the broad array of debt instruments that may be held by the funds, it may be deemed appropriate for other valuation techniques to be utilised in certain cases. As at 31 December 2021, 6% of the Credit fund assets were priced using other valuation techniques.

A reasonably possible change in the values of investments at fair value through profit or loss is shown in the table below. This is modelled as 10% of private equity fund investments and 1% of credit fund investments. As above, investments in private equity inherently have greater potential for larger changes in their valuation as the upside is not capped. The downside is limited to the amount invested in the funds. For credit investments, the upside is capped to the maximum of the principal and interest receipts, the downside is limited to the amount invested in the funds, but due to the investment strategy of the fund, losses are expected to be very small.

The sensitivity analysis considers only the net impact on the Group from changes in the consolidated CLO portfolio, as the Group's exposure to price risk is limited to only its interest within the CLO and not the gross assets and liabilities.

	Group	
	2021 £ m (+/-)	2020 £ m (+/-)
Fair value sensitivity:		
10% private equity fund investments	**21.8**	19.1
1% credit fund investments	**1.1**	0.6

The Company has no significant exposure to price/valuation risk.

(b) Foreign currency risk

Foreign currency ('FX') risk is the risk of losses or other adverse effects resulting from a change in a foreign exchange rate, or from other unfavourable changes in relation to a foreign currency. The Group is primarily exposed to two types of FX risk:

- Transaction risk: The adverse effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement. It is the exchange rate, or currency risk associated specifically with the time delay between entering into a trade or contract and then settling it. As the majority of the Group's income is denominated in euro, this means that its income when recognised in sterling is subject to exposure to FX rate movements over time.
- Translation risk: Is the risk that changes in the rates at which assets, liabilities, income or costs in foreign currencies are translated into the reporting currency. The Group holds assets denominated in currencies other than sterling, the measurement currency of the Group. Consequently, the Group is exposed to currency risk since the value of investments denominated in other currencies will fluctuate due to change in exchange rate.

Hedging of EUR management fees

In order to hedge EUR denominated management fee income, the Group has entered into a series of forward trades and swap agreements to sell EUR and buy GBP at various dates in the future to reduce the currency exposure of EUR denominated income to future spot rate volatility. The level of hedging is determined with reference to the amount of sterling denominated costs and dividends. The level of hedging provides for almost full coverage in 2022, and reducing in 2023 and 2024, which will be increased and extended as part of the ongoing hedging strategy over time.

The nominal value of open trades at the year end date to match certain expected future cash flows is shown in the table below, along with the aggregate mark-to market of the year end date.

	Group	
	2021 £ m	2020 £ m
Nominal value of forward trades in GBP	**266.4**	197.4
Market-to-market value at year-end	**6.8**	(4.2)

These hedges are in place to match known future cash flows, and the Group has decided to use cash flow hedge accounting as allowed and determined under IFRS 9 "Financial instruments". The effective portion of the gain or loss on these hedging instruments are recognised in the other comprehensive income in cash flow hedge reserves while any ineffective portion is recognised immediately in the Income Statement as gain or loss on cash flow hedges within operating expenses. When the hedge is settled all gains or losses relating to the hedge are transferred to the Income Statement.

The change in value that has been recognised as ineffective in the Income Statement, the amount of the effective portion recognised within the cash flow hedge reserve and amounts released to the Income Statement during the year is shown in the table below. There was no hedge ineffectiveness.

	Group	
	2021 £ m	2020 £ m
Ineffective portion recognised in the Income Statement	**–**	–
Effective portion recognised in the Other Comprehensive Income	**12.8**	(4.8)
Released to the Income Statement on settlement of hedges	**(1.6)**	(1.4)

Hedge ineffectiveness could occur if the amount of hedging is more than the amount of the EUR denominated income and timing differences between receipt of the income and settlement of the hedge.

Hedging of investments in EUR

The Group's primary exposure to assets and liabilities in foreign currencies is to investments in funds and carried interest receivable, which are predominately held in EUR. In order to remove the risk of volatility in the Group's earnings on the translation of assets at each year end, the Group has entered into a series of forward trades and swap agreements to sell EUR and buy GBP at various dates in the future that match the expected date of receipts from the underlying funds.

The Group's exposure to EUR investments and borrowings at each year end is summarised below, along with a sensitivity of the impact of a 5% change in the FX rate. This analysis excludes the CLO assets, which are attributable to third party investors.

	Group	
	2021 m	2020 m
EUR denominated investments (EUR)	**347.7**	307.4
Borrowings (EUR)	**–**	(100.2)
Investment hedges (EUR)	**(180.0)**	–
EUR denominated investments, net (EUR)	**167.7**	207.2
+/- 5% sensitivity (GBP) impact on P&L and net assets	**7.0**	8.8

The nominal value of open trades at the year end date is shown in the table below, along with the aggregate mark-to-market.

	Group	
	2021 £ m	2020 £ m
Nominal value of forward trades in GBP	**159.7**	–
Mark-to-market value at year-end	**3.1**	–

The profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Income Statement.

A change to FX rates will impact the fair value of derivative contracts, however an opposing movement will be seen in the hedged item.

The Company has no significant exposure to foreign currency risk.

(c) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The amounts drawn under the Group's Revolving Credit Agreements, however, bear interest at a floating rate that could rise and increase the Group's interest cost and debt, although at 31 December 2021 the Group had no outstanding borrowings.

If interest rates were to change by 1%, the Group's finance expense applied on the borrowings at year-end would have increased/(decreased) by the amounts set out in the table below.

	Group	
	2021 £ m	2020 £ m
Increase or decrease of 1%	**–**	0.5

(d) Credit risk

Credit risk is the risk that a counterparty is be unable to meet their contractual obligations in full, when due. Potential areas of credit risk consist of cash and cash equivalents, including deposits with banks and financial institutions, short-term receivables and derivative financial instruments. The Company and the Group have not experienced any significant defaults in prior periods.

Group exposure

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Expected credit losses are calculated on all of the Group's financial assets that are measured at amortised cost. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay.

Notes to the consolidated and company financial statements continued

IFRS 9 "Financial instruments" requires a three-stage model to be used to calculate expected credit losses, which requires financial assets to be assessed as:

- Performing (stage 1) – Financial assets where there has been no significant increase in credit risk since original recognition
- Under-performing (stage 2) – Financial assets where there has been a significant increase in credit risk since initial recognition, but no default
- Non-performing (stage 3) – Financial assets that are in default

The maximum exposure to credit risk at the reporting date of these financial assets is their carrying amount.

Expected credit losses are not expected to be material and there are no financial assets that are impaired.

Cash and cash equivalents

The Group limits its exposure in relation to cash balances and derivative financial instruments by only dealing with well-established financial institutions of high-quality credit standing. At each period end, the Group's cash was held with banks that were investment grade credit quality (BBB or higher).

Investments in CLOs

At 31 December 2021 the Group fully consolidated CLO 1, which was launched in November 2020. The Group's interest in CLO 1 comprises an interest in subordinated notes which incur the first loss if there is any default within the portfolio of assets by an individual borrower. Whilst the Group has entered into a sale and repurchase agreement for CLO 2 and 3, it remains contractually exposed to the performance of CLOs, however as the interest is held vertically across all notes of the CLO the holdings are more diversified than the Group's interest in CLO 1. Under the sale and repurchase agreement, the Group is subject to credit risk with the counterparty to £28.5m, however is holding cash collateral of £28.4m, reducing the risk.

The Group is required to hold a 5% interest in such vehicles after they are launched under risk retention rules. Each CLO portfolio typically invests in 70-100 individual loans issued by private equity borrowers. The portfolios are highly diversified by geography, industry and sponsor. The Group's maximum exposure to credit risk is the carrying amount of the consolidated assets. However, the Group's net exposure to loss associated with its interest in the CLOs is limited to the carrying amounts of the notes held by the Group, which at 31 December 2021 was £50.3m (2020: £19.5m).

Investments in private equity and credit funds

The Group's investments in private equity and credit funds indirectly expose it to credit risk via loans to investee entities. The maximum exposure to loss associated to funds is limited to the carrying value at 31 December 2021 which was £266.4m (2020: £233.5m).

The Group applies the simplified approach to calculate expected credit losses for trade and other receivables. Under this approach, instruments are not categorised into three stages and expected credit losses are calculated based on the life of the instrument.

Trade and other receivables

Trade and other receivables are primarily amounts due from funds or amounts due from portfolio companies, which are collected by the Group, for the benefit of the fund. The funds are managed by the Group on behalf of investors, who have made commitments to the funds. Therefore, trade and other receivables with the funds are collateralised against unfunded investor commitments. These commitments can be drawn at any time. The Group therefore considers the probability of default to be remote.

As a lessor the Group has exposure to payments by lessees. The Group considers there to be a low risk of default due to the quality of the counterparty.

Carried interest receivable

The Group's carried interest receivable represents income expected from CIPs. The Group considers there to be no risk of default on these receivables on the basis that these amounts are due from the funds for reasons set out above (e.g. investor commitments).

Company exposure

Potential areas of credit risk for the Company consist of cash and cash equivalents, including deposits with banks and financial institutions and short-term receivables. The maximum exposure to credit risk the year end of these financial assets is their carrying value. The company limits its exposure to cash balances by only dealing with well established financial institutions of high quality credit standing.

(e) Liquidity risk

Liquidity risk is the risk that the Group or Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity outlook is monitored at least monthly by management and regularly reviewed by the board of directors.

The timing of the Group's management fee receipts and operating expenditure are predictable. The timing, amount and profits from the Group's investments into and divestments from the Funds are inherently less predictable, however a reasonable period of notice is given to all investors, including the Group, ahead of drawing of funds.

The Group's policy is to maintain sufficient amounts of cash and cash equivalents to meet its commitments at a given date. The Group has the use of a Revolving Credit Facility to assist in managing liquidity. Due to the long-term nature of the Group's assets, the Group seeks to ensure that the maturity of its debt instruments is matched to fee cash generated from the business.

The Company has sufficient cash reserves to assist in managing liquidity. The risk is not considered to be material as the majority of the balances are held with the Group companies.

The tables below summarise the Group and Company's financial liabilities by the time frame they are contractually due to be settled, undiscounted and including interest payable. This also excludes liabilities which are not financial liabilities (for example, deferred income).

Group

As at 31 December 2021	**Due within 1 year £ m**	**Due between 1 and 2 years £ m**	**Due within 2 and 5 years £ m**	**Due more than 5 years £ m**	**Total £ m**
Borrowings	–	–	–	–	–
Other financial liabilities	**18.8**	–	-	**28.1**	**46.9**
Derivative financial instruments	–	–	–	–	–
Trade and other payables	**39.0**	–	–	–	**39.0**
Deferred contingent consideration	–	**33.2**	–	–	**33.2**
Lease liabilities	**7.2**	**8.9**	**38.8**	**47.1**	**102.0**
CLO liabilities	**1.5**	–	–	**241.4**	**242.9**
CLO purchases awaiting settlement	**35.8**	–	–	–	**35.8**
	102.3	**42.1**	**38.8**	**316.6**	**499.8**

Group

As at 31 December 2020	Due within 1 year £ m	Due between 1 and 2 years £ m	Due within 2 and 5 years £ m	Due more than 5 years £ m	Total £ m
Borrowings	99.7	–	–	–	99.7
Other financial liabilities	6.2	–	–	–	6.2
Derivative financial instruments	1.8	1.6	1.5	–	4.9
Trade and other payables	35.6	–	–	–	35.6
Deferred contingent consideration	–	33.2	–	–	33.2
Lease liabilities	7.7	7.4	20.0	13.1	48.2
CLO liabilities	17.9	–	–	256.6	274.5
CLO purchases awaiting settlement	93.2	–	–	–	93.2
	262.1	42.2	21.5	269.7	595.5

Company

As at 31 December 2021	**Due within 1 year £ m**	**Due between 1 and 2 years £ m**	**Due within 2 and 5 years £ m**	**Due more than 5 years £ m**	**Total £ m**
Trade and other payables	23.1	–	–	–	23.1
	23.1	–	–	–	23.1

Company

As at 31 December 2020	Due within 1 year £ m	Due between 1 and 2 years £ m	Due within 2 and 5 years £ m	Due more than 5 years £ m	Total £ m
Trade and other payables	0.9	–	–	–	0.9
	0.9	–	–	–	0.9

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access to at that date. The fair value of a liability reflects its non-performance risk.

The Group discloses fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets (level 1);
- Inputs – other than quoted prices included within level 1 – that are observable for assets or liabilities, either directly (as prices) or indirectly (derived from prices) (level 2);
- Inputs for assets or liabilities that are not based on observable market data (level 3).

Financial assets presented in the statement of financial position as investments in funds through profit or loss use inputs based on unobservable market data and therefore classified as level 3 in the fair value hierarchy. Further details of the approach to the valuation of investments are set out within note 3. There have not been any transfers between levels in the fair value hierarchy during the year.

Derivatives used for hedging, which are fair valued, are classified as Level 1 fair values as the inputs are observable.

	Group	
	2021 £ m	2020 £ m
Financial assets at fair value through profit or loss:		
Level 1	–	–
Level 2	**286.8**	272.5
Level 3	**313.7**	235.9
Total	**600.5**	508.4

The assets of the CLO vehicles, which are fully consolidated by the Group, are classified as level 2 fair values as they are priced using independent loan pricing sources. These sources consolidate broker quotes where depth represents the number of quotes supporting the price provided.

A reconciliation of level 3 fair values for financial assets which represent the Group's interest in private equity and credit funds, including the Group's investment in CLOs which are not consolidated, is set out in the table below:

	Group	
	2021 £ m	2020 £ m
Level 3 financial assets at fair value through profit or loss:		
Opening balance	**235.9**	206.1
Additions	**92.7**	49.6
Change in fair value	**65.7**	20.1
Foreign exchange movements	**(14.7)**	11.3
Receipts	**(65.9)**	(51.2)
Transfers (to)/from Level 1 or 2	–	–
Closing balance	**313.7**	235.9

The underlying assets in each fund consist of portfolios of investments in controlling or minority stakes, typically in private companies, and their debt. Due to the level of unobservable inputs within the determination of the valuation of individual assets within each fund, and no observable price for each investment, such investments are classified as level 3 financial assets under IFRS 13 "Fair Value Measurement".

A sensitivity analysis of a change in the value of investments at fair value through profit or loss is set out in note 20 (a).

	Group 2021 £ m	Group 2020 £ m
Financial liabilities at fair value through profit or loss:		
Level 1	–	–
Level 2	213.2	236.7
Level 3	78.8	75.6
Total	292.0	312.3

The investment grade debt liabilities of consolidated CLOs are marked using broker quotes based on market-related discount spreads and are therefore classified as level 2 financial liabilities under IFRS 13.

Non-investment grade and subordinated debt liabilities of the consolidated CLOs are valued based upon broker prices, which use discounted cash flow analyses with unobservable market data inputs, such as constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and are therefore considered level 3 financial liabilities.

Financial liabilities classified as level 3 under the fair value hierarchy consist of the deferred contingent consideration, liabilities of CLOs consolidated by the Group and other financial liabilities, which represents a payable to related party investors in Opal Investments LP and amounts payable to related party investors in intermediate fund holding entities. The valuation of these liabilities is based on unobservable market data and therefore classified as level 3. There have been no transfers between levels in the fair value hierarchy during the year (2020: nil).

	Group 2021 £ m	Group 2020 £ m
Level 3 financial liabilities at fair value through profit or loss:		
Deferred contingent consideration	30.3	31.6
CLO liabilities	29.7	37.8
Other financial liabilities	18.8	6.2
Total	78.8	75.6

A reconciliation of level 3 fair values for CLO liabilities at fair value through profit or loss is set out in the table below. A reconciliation is not provided for the deferred contingent consideration on the basis that the movement between 31 December 2021 and 31 December 2020 relates to foreign exchange movements and for other financial liabilities refer to note 18 (d).

	Group 2021 £ m	Group 2020 £ m
Movement in CLO liabilities at fair value through profit or loss which are level 3:		
Opening balance	37.8	–
On acquisition	–	24.5
Repayment	(5.5)	(18.7)
Drawn	–	31.8
Foreign exchange movements	(2.2)	(0.2)
Change in fair value	(0.4)	0.4
Transfers (to)/from Level 1 or 2	–	–
Closing balance	29.7	37.8

A change in the value of the CLO liabilities is included in the table below. A sensitivity analysis for the deferred contingent consideration is included within note 18 (b).

	Group 2021 £ m	Group 2020 £ m
Increase or decrease of 1%	0.3	0.4

The Company does not hold any liabilities at fair value.

21 Capital management

The primary objective of the Group's capital management is to ensure that the Group and its subsidiaries have sufficient capital both now and, in the future, having considered risks in the business and mitigants to those risks, while managing returns to the Group's shareholders. The Group also manages its capital position to ensure compliance with capital requirements imposed by the Financial Conduct Authority ("FCA") and other regulatory authorities on individual regulated entities.

The Investment Firms Prudential Regime ("IFPR") for MiFID investment firms came into effect from 1 January 2022. This regime applies to MiFID investment firms, Collective Portfolio Management Investment Firms and regulated and unregulated holding companies of groups that contain one or more of the aforementioned firms. From 2022, the Group and certain regulated subsidiaries will be required to report to the FCA on own funds, the own funds requirement and a basic liquid asset requirement.

The capital structure comprises cash and cash equivalents, borrowings and the capital and reserves of the Company, comprising share capital, share premium, capital contributions, other reserves and retained earnings as set out below.

	2021 £ m	2020 £ m
Cash and cash equivalents (for use within the Group)	323.1	42.3
Loans and borrowings	–	(99.7)
Net cash	323.1	(57.4)
Share capital	0.1	240.9
Share premium	289.8	0.5
Capital redemption reserve	–	24.6
Share-based payment reserve	3.2	–
Cash flow hedge reserve	7.5	(2.2)
Net exchange differences reserve	3.1	5.3
Retained earnings	412.6	39.7
Equity attributable to equity holders	716.3	308.8

The Group's banking facilities are subject to financial covenants. The Bridgepoint Advisers Holdings Revolving Credit Agreement is subject to a ratio of adjusted EBITDA to net finance charges and ratio of total net debt to adjusted EBITDA on a rolling 12 month period.

During the year the Group was fully compliant with regulatory capital requirements and banking covenants.

22 Deferred tax

	Group	
	2021 £ m	2020 £ m
Deferred tax assets	47.8	26.0
Deferred tax liabilities	(67.5)	(41.9)
Total	(19.7)	(15.9)

	Group	
	2021 £ m	2020 £ m
Deferred tax assets		
Opening balance	26.0	24.4
(Charge)/credit to other comprehensive income	(0.8)	0.8
Credit to income statement	22.6	0.8
Closing balance	47.8	26.0
Analysed as:		
Other timing differences	22.8	9.1
Management fee hedges	–	0.8
Losses carried forward	25.0	16.1
	47.8	26.0

	Group	
	2021 £ m	2020 £ m
Deferred tax liabilities		
Opening balance	**(41.9)**	(38.3)
(Charge)/credit to other comprehensive income	**(1.3)**	0.1
Charge to income statement	**(24.3)**	(3.7)
Closing balance	**(67.5)**	(41.9)
Analysed as:		
Management fee income and investments	**(42.8)**	(31.3)
Capital allowance	**(2.5)**	–
Other timing differences	**(20.9)**	(10.6)
Management fee hedges	**(1.3)**	–
	(67.5)	(41.9)

Deferred tax liabilities primarily represent a future tax on the Group's fee income and a timing difference arising on the remeasurement of the fair value of investments. They unwind as fees become taxable and investments are realised.

Deferred tax assets primarily relate to tax losses carried forward, to the extent that they can be utilised under relevant tax legislation.

The deferred tax asset and liabilities also include deferred tax on right-of-use assets and lease liabilities which will unwind over the period of the lease.

The Company had a deferred tax asset of £1.1m (2020: nil) which relates to tax losses carried forward.

The deferred tax has been measured using the applicable tax rate expected at the point at which the income or cost will become taxable.

23 Equity

(a) Share capital and premium

Allotted, called up and fully paid shares

	2021		2020	
	No.	**£**	No	£
Ordinary of £0.00005 each	**823,268,774**	**41,163**	–	–
Deferred of £81 each	**500**	**40,500**	–	–
Deferred of £1 each	**1**	**1**	–	–
Deferred of £0.01 each	**1**	**0.01**	–	–
A1 of £81 each	–	–	2,280,000	184,680,000
A2 of £0.01 each	–	–	552,000	5,520
A4 of £0.01 each	–	–	235,540	2,355
C1 of £170 each	–	–	59,460	10,108,200
C2 of £70 each	–	–	105,000	7,350,000
C3 of £85 each	–	–	95,000	8,075,000
C4 of £165 each	–	–	60,000	9,900,000
C5 of £150 each	–	–	65,000	9,750,000
C6 of £275 each	–	–	40,000	11,000,000
YY of £1 each	–	–	1	1
	823,269,276	**81,664.01**	3,492,001	240,871,076

The shares included for 2020 in the table above were in issue for the full year with no new shares issued or shares cancelled in the period.

In June 2021, the Company cancelled 201,499 A1 shares held by Atlantic SAV Limited, cancelled the capital redemption reserve of the Company, reduced the nominal value of the A1, C1, C2, C3, C4, C5 and C6 shares to £0.01 per share, redesignated 500 A1 shares held by Atlantic SAV 2 Limited as deferred shares, redesignated all outstanding A4, C1, C2, C3, C4, C5 and C6 shares as A1 shares, and cancelled 98,000 A1 shares and 72,500 A2 shares held by Atlantic SAV 2 Limited.

In June 2021, the Company issued 612,000 A3 ordinary shares of £0.01 nominal value for consideration of £1.50 per share.

In July 2021, the Company issued 18,500 A3 shares of £0.01 each to the EBT for consideration of £0.01 per share, redesignated the YY share into a deferred share of £1.00 and sub-divided the classes of ordinary shares into A1, A2 and A3 ordinary shares and deferred shares. The resulting A1, A2 and A3 ordinary shares were redesignated as ordinary shares. In addition, following the redesignation, an amount of £8,571 within the share premium account was capitalised and appropriated as capital to the holdings of ordinary shares as part of a bonus share issue of 171,428,571 fully paid-up ordinary shares at a rate of three shares for every seven existing ordinary shares held. The deferred shares were resolved to be gifted to the Company for no consideration and cancelled through the capital redemption reserve.

In July 2021, as part of the Admission to the London Stock Exchange, the Company issued 85,714,286 new shares with a nominal value of £0.00005 for consideration of £3.50 each.

At the same time, Dyal Capital Partners IV (C) LP exchanged shares in Bridgepoint Group Holdings Limited (formerly Bridgepoint Group Limited) for 163,263,206 shares in the Company. The transaction qualified for merger relief under s.612 of the Companies Act 2006 and therefore the shares issued were recognised at the nominal value of £0.00005 per share.

In addition, 1,963,571 ordinary shares were issued to certain executives in leadership positions and non-executive directors with a nominal value of £0.00005 for consideration of £3.50 each and 870,090 ordinary shares were awarded to employees as part of the IPO Share Award Plan for consideration equal to the nominal value of £0.00005 per share and a further 29,053 held in the Bridgepoint Group plc Employee Benefit Trust.

The holders of the ordinary shares have the right to receive notice of and to attend and vote at any general meeting of the Company. The shares have one vote per share on a resolution.

Each ordinary share is eligible for ordinary course dividends and distributions on a liquidation, and is generally entitled to participate in a return of capital, in each case subject to the provisions set out in the Articles of the Company.

(b) Own shares

The Company held 853,624 ordinary shares and 501 deferred shares (2020: 326,500 A1 shares; 55,000 A2 shares) within retained earnings as at 31 December 2021 at a cost of £nil (2020: £0.3m).

(c) Cash flow hedge reserve

Other reserves consist of the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on foreign exchange forward contracts that are designated and qualify as cash flow hedges, as described in note 20 (b) amounts are subsequently either transferred to deferred income or reclassified to the Income Statement as appropriate.

(d) Net exchange differences reserve

Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange gain/(loss) on the translation of foreign operations.

(e) Share-based payment reserve

The Share-based payment reserve relates to the accumulated expense from the recognition of equity-settled share-based payments to employees.

(f) Non-controlling interests

At 31 December 2020, non-controlling interests included Dyal Capital Partners IV (C) LP's interest in Bridgepoint Group Holdings Limited, a majority owned direct subsidiary of the Company. As part of the Company's Admission to the London Stock Exchange, its interest was novated to an interest in the shares of the Company, as set out above. As a result, the non-controlling interest previously recognised has been reassigned to equity holders.

	2021 £ m	2020 £ m
Non-controlling interest in Bridgepoint Group Holdings Limited	–	81.7
Total	–	81.7

24 Dividends

A dividend of £30m was paid to eligible A1 and A2 ordinary shareholders on the day immediately before Admission to the London Stock Exchange, which equates to £9.61 per share.

The Company paid a dividend of £3.3m in July 2020 and £3.3m in December 2020 to qualifying shareholders, which equates to £2.50 per share.

	2021		2020	
Ordinary dividends paid:	**£ m**	**Pence per share**	£ m	Pence per share
Interim	30.0	961.00	6.6	2.50
Proposed final dividend	30.0	3.64	–	–

25 Cash flow information

(a) Cash generated from operations

	Group		Company	
	2021 £ m	2020 £ m	**2021 £ m**	2020 £ m
Profit/(loss) before tax	62.6	48.5	(25.8)	12.9
Adjustments for:				
Exceptional expenses	21.6	7.4	21.2	–
Share-based payments	2.9	–	–	–
Profit on disposal of right-of-use asset	(0.6)	–	–	–
Depreciation and amortisation expense	15.0	8.8	–	–
Net finance expense	7.7	1.4	–	(15.5)
Carried interest	(14.3)	(12.9)	–	–
Fair value remeasurement of investments	(56.9)	(29.4)	–	–
Net exchange gains	(1.1)	(0.6)	–	–
Increase in trade and other receivables	(10.3)	(14.2)	(108.5)	–
(Decrease)/increase in trade and other payables	(2.1)	23.4	23.6	0.1
Cash generated from operations	24.5	32.4	(89.5)	(2.5)

(b) Cash outflows from leases

	Group	
	2021 £ m	2020 £ m
Financing	9.6	7.7
Operating	0.2	0.2
Cash generated from leases	9.8	7.9

The Company has no leases (2020: nil).

(c) Reconciliation of liabilities arising from financial activities

	Group					
			Non-cash changes			
	1 January 2021 £ m	**Cash flows £ m**	**Additions £ m**	**Disposals £ m**	**Foreign exchange movements £ m**	**31 December 2021 £ m**
Borrowings	99.7	(97.7)	–	–	(2.0)	–
Lease liabilities	42.0	(9.6)	67.9	(15.5)	–	84.8
Total	141.7	(107.3)	67.9	(15.5)	(2.0)	84.8

Notes to the consolidated and company financial statements continued

			Group			
			Non-cash changes			
	1 January 2020 £ m	Cash flows £ m	Additions £ m	Disposals £ m	Foreign exchange movements £ m	31 December 2020 £ m
Borrowings	42.3	56.8	–	–	0.6	99.7
Lease liabilities	48.2	(7.7)	1.8	(0.3)	–	42.0
Total	90.5	49.1	1.8	(0.3)	0.6	141.7

The Company has no borrowings or lease liabilities (2020: nil).

26 Related party transactions

(a) Key management compensation

The key management of the Group for the period up to the Admission to the London Stock Exchange was considered to be the directors of Bridgepoint Advisers Group Limited, a subsidiary company, from admission onwards, the executive directors are considered to represent the key management of the Group. The compensation paid or payable to the key management is set out in the table below and is presented pro rata for 2021.

	2021 £ m	2020 £ m
Salary, bonus and other benefits	**5.0**	8.0
Total	**5.0**	8.0

Further information on the remuneration of the directors can be found in the Remuneration Report.

(b) Directors' emoluments

The directors of the Company since their appointment or the point of their resignation were remunerated as set out below. The aggregate value of remuneration expenses in relation to pensions and share based payments are less than £0.1m.

	2021 £ m	2020 £ m
Salary, bonus and other benefits	**6.6**	3.9
Total	**6.6**	3.9

(c) Transactions with directors

On the Company's Admission to the London Stock Exchange, 275,000 shares were issued to Archie Norman, 94,286 shares to Angeles Garcia-Poveda, and 75,714 shares to each of Carolyn McCall and Tim Score for consideration of £3.50 per share.

On 7 June 2021, the directors of the Company, Adam Jones and William Jackson, were granted 10,000 and 25,000 A3 shares respectively for consideration of £1.50 per share.

Jonathan Raoul Hughes, a director of the Company until 25 June 2021, received a loan from a subsidiary company that totalled £0.6m at 31 December 2019. The loan was made on arms' length terms. It was repaid in April 2020.

(d) Carried interest

Fund investors expect certain members of the Group's senior executive management to invest in carried interest and co-investment in the Group's third-party funds to demonstrate alignment of interest, and as such the directors of the Company have made significant personal commitments from their own resources to some of these third-party funds. The funds and CIPs (which are entitled to the carry) are not consolidated by the Group but are related parties. The returns (in the form of investment income and capital appreciation) are fully dependent on the performance of the relevant fund and its underlying investments.

The directors of the Company at 31 December 2021 have committed amounts from their personal resources across multiple funds totalling £11.8m (the directors at 31 December 2020: £18.9m).

(e) Transactions with funds

The Bridgepoint funds are related parties of the Group. Amounts received as fees from and reimbursement of expenses paid on behalf of the funds during the year are shown in the table below, along with the amounts receivable at year end.

	Group	
	2021 £ m	2020 £ m
Amounts received from funds	**216.0**	167.3
Amounts receivable from funds	**39.6**	27.7

27 Parent and ultimate controlling party

The Company is owned by a number of individual shareholders and companies, none of whom own more than 20% of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party.

28 Subsidiaries

The Group consists of the Company and entities controlled by the Company. This note sets out those subsidiary entities owned by the Company and that are consolidated, those which are not, and those structured entities which are consolidated in the financial statements.

	Company	
	2021 £ m	2020 £ m
Balance as at 1 January	**448.0**	448.0
Increase in investment in subsidiary	**3.2**	–
At 31 December	**451.2**	448.0

As part of the Company's Admission to the London Stock Exchange, the non-controlling interests in Bridgepoint Group Holdings Limited novated to an interest in the shares of the Company, increasing the Company's holding.

The Group holds a direct interest in Bridgepoint Group Holdings Limited as at 31 December 2021 representing 100% (2020: 77.8%). Its registered office is referenced in the table below the list of subsidiaries.

(a) List of subsidiaries

Name of subsidiary	**Ref**	**Country of incorporation**	**Principal activity**	**Share class**	**Company's proportion of ownership interest**
Bridgepoint Group Holdings Limited	1	UK	Holding company	Ordinary shares	100%

The following table shows details of subsidiaries owned directly or indirectly by Bridgepoint Group Holdings Limited as at 31 December 2021 and its ownership interest in each entity. The registered office of each subsidiary is referenced to a table below the list of subsidiaries.

Notes to the consolidated and company financial statements continued

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
101 Investments (GP) Limited	1	UK	General Partner	Ordinary shares	100%
101 Investments Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Atlantic GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
Atlantic GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Atlantic GP LLP	2	UK	General Partner	N/A	–
BBTPS (GP) Limited	1	UK	General Partner	Ordinary shares	100%
BBTPS FP GP Limited	2	UK	General Partner	Ordinary shares	100%
BBTPS Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BC II FP Limited	1	UK	Dormant entity	Ordinary shares	100%
BC II FP SGP Limited	2	UK	Dormant entity	Ordinary shares	100%
BC GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
BC GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BC II GP LLP	2	UK	General Partner	N/A	–
BC II GP LP	2	UK	General Partner	N/A	–
BC II MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BC MLP UK Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BC SMA Carry GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
BC SMA II Carry GP LLP	2	UK	General Partner	N/A	–
BC SMA II FP Limited	2	UK	Founder Partner	Ordinary shares	100%
BCLO Credit Investments I S.à r.l.	3	Luxembourg	CLO management company	Ordinary shares	100%
BCO II Carry GP LLP	2	UK	General Partner	N/A	–
BCO III Carry GP LLP	2	UK	General Partner	N/A	–
BCO IV Carry GP LLP	2	UK	General Partner	N/A	–
BCO IV FP Limited	1	UK	Founder Partner	Ordinary shares	100%
BDC GP LP	2	UK	General Partner	N/A	–
BDC II (SGP) Limited	2	UK	General Partner	Ordinary shares	100%
BDC II FP GP Limited	2	UK	General Partner	Ordinary shares	100%
BDC II GP LP	2	UK	General Partner	N/A	–
BDC II Limited	1	UK	Investment holding company	Ordinary shares	100%
BDC II Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BDC III GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
BDC III GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BDC III GP LLP	1	UK	General Partner	N/A	–
BDC III Limited	1	UK	Dormant entity	Ordinary shares	100%
BDC III Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BDC III SFP GP Limited	2	UK	General Partner	Ordinary shares	100%
BDC IV Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BDC IV Limited	1	UK	Dormant entity	Ordinary shares	100%
BDC IV GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
BDC IV GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BDC IV MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BDC IV GP LLP	2	UK	General Partner	N/A	–
BDC IV GP LP	2	UK	General Partner	N/A	–
BDC IV SFP GP Limited	2	UK	General Partner	Ordinary shares	100%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
BDC Special 1 Limited	2	UK	Dormant entity	Ordinary shares	100%
BDC Special 2 Limited	2	UK	Dormant entity	Ordinary shares	100%
BDC Special GP LLP	2	UK	Dormant entity	N/A	–
BDCP II (Nominees) Limited	1	UK	Nominee company	Ordinary shares	100%
BDCP II GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
BDCP II GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BDCP II GP LLP	2	UK	General Partner	N/A	–
BDCP II GP LP	2	UK	General Partner	N/A	–
BDCP II Limited	1	UK	Investment holding company	Ordinary shares	100%
BDCP II MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BDCP II SFP GP Limited	2	UK	General Partner	Ordinary shares	100%
BDL I Carry GP LLP	2	UK	General Partner	N/A	–
BDL II Carry GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
BDL III Carry GP LLP	2	UK	General Partner	N/A	–
BDL III FP Limited	1	UK	Founder Partner	Ordinary shares	100%
BE Advisers S.à r.L	3	Luxembourg	Dormant entity	Ordinary shares	100%
BE II Investments (GP) Limited	1	UK	General Partner	Ordinary shares	100%
BEP IV (Nominees) Limited	1	UK	Nominee company	Ordinary shares	100%
BEP IV FP Limited	1	UK	Founder Partner	Ordinary shares	100%
BEP IV FP SGP Limited	2	UK	General Partner	Ordinary shares	100%
BEP IV GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BEP IV GP LLP	2	UK	General Partner	N/A	–
BEP IV GP LP	2	UK	General Partner	N/A	–
BEP IV MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BE V Germany GP Co Limited	4	Guernsey	General Partner	Ordinary shares	100%
BEV FP Limited	1	UK	Founder Partner	Ordinary shares	100%
BEV GP LLP	1	UK	General Partner	N/A	–
BEV FP SGP Limited	2	UK	General Partner	Ordinary shares	100%
BEV GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BEV GPC Limited	1	UK	General Partner	Ordinary shares	100%
BEV MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BEV Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BEV Nominees II Limited	1	UK	Nominee company	Ordinary shares	100%
BE VI FP Limited	1	UK	Dormant entity	Ordinary shares	100%
BE VI FP SGP Limited	2	UK	Dormant entity	Ordinary shares	100%
BE VI GP 2 Limited	1	UK	Dormant entity	Ordinary shares	100%
BE VI GP LLP	2	UK	Dormant entity	N/A	–
BE VI GP LP	2	UK	Dormant entity	N/A	–
BE VI Limited	4	Guernsey	Dormant entity	Ordinary shares	100%
BE VI MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BE VI Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BG Holdco 1 Limited	4	Guernsey	Dormant entity	Ordinary shares	100%
BG II GP LLP	1	UK	General Partner	N/A	–
Bridgepoint AB	5	Sweden	Private equity advisory company	Ordinary shares	100%

Notes to the consolidated and company financial statements
continued

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Advantage Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Advantage MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
Bridgepoint Advantage FP Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Advantage FP SGP Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Advantage GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Advantage GP LLP	2	UK	General Partner	N/A	–
Bridgepoint Advantage GP LP	2	UK	General Partner	N/A	–
Bridgepoint Advantage Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Advisers Europe Limited	1	UK	Private equity advisory company	Ordinary shares	100%
Bridgepoint Advisers Group Limited	1	UK	Investment holding company	Ordinary shares	100%
Bridgepoint Advisers Holdings	1	UK	Investment holding company	Ordinary shares	100%
Bridgepoint Advisers II Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Advisers Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Advisers UK Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Capital (Doolittle) Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital (GP) Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Capital (Nominees) Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Capital (Nominees) 2 Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Capital Delaware GP LP	6	United States of America	General Partner	N/A	–
Bridgepoint Capital Directorships Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital General Partner LP	2	UK	General Partner	N/A	–
Bridgepoint Capital General Partner II LP	2	UK	General Partner	N/A	–
Bridgepoint Capital Group Limited Employee Benefit Trust	1	UK	Employee Benefit Trust	N/A	–
Bridgepoint Capital Scottish GP Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Capital Scottish GP II Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Capital Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital Trustee Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital Verwaltungs Gmbh	7	Germany	General Partner	Ordinary shares	100%
Bridgepoint Credit AD GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Advisers Limited	1	UK	Credit fund advisory company	Ordinary shares	100%
Bridgepoint Credit Advisers UK Limited	1	UK	Credit fund advisory company	Ordinary shares	100%
Bridgepoint Credit BOCPIF GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Carry LP	2	UK	Investment holding company	N/A	–
Bridgepoint Credit Carry GP LLP	2	UK	General Partner	N/A	–
Bridgepoint Credit Co-Invest GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Empire GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Europe Limited	1	UK	Credit fund advisory company	Ordinary shares	100%
Bridgepoint Credit France SAS	8	France	Credit fund management company	Ordinary shares	100%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Credit GP Verwaltungs GmbH	7	Germany	General Partner	Ordinary shares	100%
Bridgepoint Credit Holdings Limited	1	UK	Investment holding company	Ordinary shares	100%
Bridgepoint Credit Limited	1	UK	Credit fund management company	Ordinary shares	100%
Bridgepoint Credit Management Limited*	1	UK	Credit fund management company	Ordinary shares	49%
Bridgepoint Credit MSPD GP S.à r.l	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit MPD GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Credit Opportunities II GP GmbH & Co. KG	7	Germany	General Partner	Ordinary shares	100%
Bridgepoint Credit Opportunities II GP Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Credit Opportunities II GP LP	2	UK	General Partner	N/A	–
Bridgepoint Credit Opportunities III GP Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Credit Opportunities III GP LP	2	UK	General Partner	N/A	–
Bridgepoint Credit Opportunities IV GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Opportunities SICAV GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Credit PPF GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Credit Services S.à r.l.	3	Luxembourg	Credit fund advisory company	Ordinary shares	100%
Bridgepoint Credit UK Limited	1	UK	Credit fund advisory company	Ordinary shares	100%
Bridgepoint Debt Funding Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Debt Management Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Debt Managers Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Development Capital Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Direct Lending II GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Direct Lending III GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Europe (SGP) Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe III FP (GP) Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe III (GP) Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe III GP LP	2	UK	General Partner	N/A	–
Bridgepoint Europe IV (Nominees) 1 Limited	1	UK	Nominee entity	Ordinary shares	100%
Bridgepoint Europe IV (Nominees) Limited	1	UK	Nominee entity	Ordinary shares	100%
Bridgepoint Europe IV FP (GP) Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe IV General Partner LP	2	UK	General Partner	N/A	–
Bridgepoint Europe IV General Partner 'F' LP	2	UK	General Partner	N/A	–
Bridgepoint Europe Limited	1	UK	Limited Partner	Ordinary shares	100%
Bridgepoint Europe Managerial LLP	1	UK	Limited Partner	N/A	–
Bridgepoint Europe VII (GP) S.à r.l.	3	Luxemburg	General Partner	Ordinary shares	100%
Bridgepoint Europe VII FP Limited	1	UK	Founder Partner	Ordinary shares	100%
Bridgepoint Europe VII GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe VII GP LLP	1	UK	General Partner	N/A	–

Notes to the consolidated and company financial statements continued

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Europe VII Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Europe VII MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
Bridgepoint Finance Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint GmbH	7	Germany	Private equity advisory company	Ordinary shares	100%
Bridgepoint GP2 LLP	2	UK	General Partner	N/A	–
Bridgepoint Growth I GP LLP	1	UK	General Partner	N/A	–
Bridgepoint Growth Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Growth Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Holdco 1 Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Holdings Group Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Holdings Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Infrastructure Advisers Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Infrastructure Development Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Infrastructure Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint International Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Investment Consultants (Shanghai) Co Ltd	9	China	Private equity advisory company	Ordinary shares	100%
Bridgepoint Loan Fund GP GmbH & Co. KG	7	Germany	General Partner	Ordinary shares	100%
Bridgepoint Loan Fund GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Netherlands BV	10	Luxembourg	Private equity advisory company	Ordinary shares	100%
Bridgepoint Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint SAS	8	France	Private equity advisory company	Ordinary shares	100%
Bridgepoint Portfolio Services SAS	8	France	Private equity advisory company	Ordinary shares	100%
Bridgepoint Private Equity Group Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Private Equity Growth Fund Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Private Equity Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Property Advisers Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Property Development Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Real Estate Advisers Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Real Estate Development Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Real Estate Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Real Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint SA	11	Spain	Private equity advisory company	Ordinary shares	100%
Bridgepoint Services S.à r.l.	3	Luxembourg	Private equity advisory company	Ordinary shares	100%
Bridgepoint Sp Zoo	12	Poland	Private equity advisory company	Ordinary shares	100%
Bridgepoint Sp Zoo sp.k	12	Poland	Private equity advisory company	N/A	–
Bridgepoint Structured Credit Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Team Paris S.à r.l.	14	Luxembourg	Dormant entity	Ordinary shares	100%
Bridgepoint US Holdco Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Ventures Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint, LLC	15	United States of America	Private equity advisory company	Ordinary shares	100%
Burgundy GP LLP	1	UK	General Partner	N/A	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Burgundy GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
George Town (Nominees) Limited	1	UK	Dormant entity	Ordinary shares	100%
Horninghaven Limited	1	UK	Dormant entity	Ordinary shares	100%
Horningway Limited	1	UK	General Partner	Ordinary shares	100%
HPE II GP LP	2	UK	General Partner	N/A	–
HPE SGP Limited	2	UK	General Partner	Ordinary shares	100%
LORAC 5 Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC 6 Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BC Co-Investment Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BC II Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC III Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC IV Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDCP Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BEP IV Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BE VI Co-investment Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BG I Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC Eagle Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC KITE Limited	1	UK	Investment holding company	Ordinary shares	100%
New HPE II GP LP	2	UK	Investment holding company	Ordinary shares	100%
Opal Investments LP	2	UK	Investment holding company	N/A	–
PEPCO Services LLP	1	UK	Collective purchasing negotiator	N/A	–
Ruby Germany GP Limited	4	Guernsey	General Partner	Ordinary shares	100%
Ruby Investments (UK) Limited	1	UK	Investments holding company	Ordinary shares	100%
Sapphire Investments (Guernsey) Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Throttle Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Vigny Advisory S.à r.l.	13	France	Dormant entity	Ordinary shares	100%
Vigny Participation S.à r.l.	13	France	Dormant entity	Ordinary shares	100%
Vigny Holding S.à r.l.	13	France	Dormant entity	Ordinary shares	100%

* The Group holds 49% of A Shares and 100% of B shares

Notes to the consolidated and company financial statements continued

Ref	Registered office
1	95 Wigmore Street, London, W1U 1FB, UK
2	50 Lothian Road, Edinburgh, EH3 9WJ, UK
3	2 Avenue Charles de Gaulle, L-1653, Luxembourg
4	1 Royal Plaza, St. Peter Port, Guernsey, GY1 2HL
5	Mäster Samuelsgatan 1, 111 44 Stockholm, Sweden
	One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle
6	County, Delaware 19801, USA
7	Neue Mainzer Strasse 28, 60311 Frankfurt am Main, Germany
8	21 Avenue Kléber, 75116 Paris, France
9	Shanghai One ICC, 999 Huaihai Road (Middle), 20031 Shanghai, China
10	Honthorststraat 16H, 1071 DE Amsterdam, The Netherlands
11	Calle Rafael Calvo 39A-4 , 28010 Madrid, Spain
12	Marsalkowska 126/134, 00-008 Warsaw, Poland
13	21 rue La Perouse, 75116 Paris, France
14	153-155, rue du Kien, L-8030 Strassen, Luxembourg
15	10 East 53rd St. 28th Floor, New York, NY 10022, USA

(b) Entities not consolidated

The table below shows entities that are indirect subsidiaries of the Company, but the Group does not have the power to direct activities or rights to variable returns from the entity and are therefore not consolidated in the financial information.

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Proportion of ownership interest
Bridgepoint PE CI Limited	1	UK	Investment holding company	Ordinary shares	52.53%
Sapphire Fund II South Limited	4	Guernsey	Investment holding company	Ordinary shares	25%
Sapphire Sub II A Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Sapphire Sub II B Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Sapphire Sub III A Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Sapphire Sub III B Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Sapphire Sub III C Limited	4	Guernsey	Investment holding company	Ordinary shares	100%
Sapphire Sub South Limited	4	Guernsey	Investment holding company	Ordinary shares	25%

The profit and loss for the above entities are not material.

(c) Consolidated structured entities

The table below shows details of structured entities that the Group has deemed to control and are consolidated within the financial statements for the periods referenced.

	Country of incorporation	Company's proportion of ownership interest	Nature of interest	Periods consolidated
Name of subsidiary:				
Bridgepoint CLO 1 DAC	Ireland	55%	Subordinated note in the residual class	All periods
Bridgepoint CLO 2 DAC	Ireland	50%	Subordinated note in the residual class	YE 2020
Opal Investments LP	United Kingdom	85%	Limited partner	All periods
BE VI (French) Co-Invest LP	United Kingdom	92%	Limited partner	All periods
BE VI Co-Investment (Feeder) Partnership LP	United Kingdom	53%	Limited partner	All periods

(d) Associates

Where the Group hold investments in funds or CIPs that give the Group significant influence, but not control, through participation in the financial and operating policy decisions, the Group measures investments in associates at fair value through profit or loss. Information about the Group's associates measured at fair value is shown below. The investments are recorded as financial assets or carried interest receivable within the Group's statement of financial position.

Bridgepoint Credit II "C" LP

Within investments in funds, the Group has an investment that represents 27% of the total committed capital of Bridgepoint Credit II (C) LP, a fund that lends to private companies. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. Accordingly, Bridgepoint Credit II is considered to be an associate of the Group. Key financial information about the fund is set out in the table below.

	31 December 2021 £ m	31 December 2020 £ m
Investments at fair value	**399.6**	251.2
Other assets	**22.4**	10.6
Total liabilities	**(234.9)**	(156.6)
Total	**187.1**	105.2
Profit for the year	**15.9**	6.9
Country of domicile	**UK**	UK
Group's interest in the associate	**27.2%**	27.2%

The Partnership's registered address is 95 Wigmore Street, London, W1U 1FB, UK.

BDC III SFP LP

The Group has an interest in a CIP which has a share of 26% of the rights to the carried interest from the BDC III fund partnerships and is therefore considered to have significant influence. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. Accordingly, the BDC III carry scheme is considered an associate of the Group. Key financial information is set out in the table below.

	31 December 2021 £ m	31 December 2020 £ m
Carried interest receivable	**65.8**	43.9
Country of domicile	**UK**	UK
Group's interest in the associate	**25.9%**	25.0%

The Partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

Notes to the consolidated and company financial statements continued

BEP IV SFP LP

Within investments in funds, the Group has an investment that has an entitlement of 49.7% of the limited partner commitments of BEP IV SFP LP, a partnership that is a co-investor into the BEP IV fund partnerships. The Group also has a 31.8% of the entitlement to the founder partner commitments of the entity, which currently has no value. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. Accordingly, BEP IV SFP LP is considered to be an associate of the Group. Key financial information about the fund is set out in the table below.

	31 December	
	2021 £ m	2020 £ m
Investments at fair value	**46.6**	51.4
Other assets	**1.7**	1.3
Total liabilities	**(0.5)**	(2.9)
Total	**47.8**	49.8
Profit for the year	**5.8**	9.7
Country of domicile	**UK**	UK
Group's interest in the associate	**49.7%**	49.7%

The Partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

Bridgepoint CLO 3 DAC

Within investment in funds, the Group has an interest that includes 31% of the subordinated notes of CLO 3. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. Accordingly, CLO 3 is considered an associate of the Group. Key financial information about CLO 3 is set out in the table below.

	31 December 2021 £ m
CLO assets	**337.4**
CLO liabilities	**(339.0)**
Total	**(1.6)**
Loss for the period	**(5.3)**
Country of domicile	**Ireland**
Group's interest in the associate	**31.0%**

The CLO's registered address is 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland.

Other associates

In addition to the associates listed above, there are four other entities where the Group considers itself to have significant influence with ownership above 20%. These are immaterial individually and in aggregate and have no balances or transactions associated with them for the years presented.

(e) Subsidiaries not audited

For the year ending 31 December 2021 the following UK subsidiaries were expected to be entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- BBTPS FP GP Limited
- BC II FP SGP Limited
- BDC II Limited
- BDC II FP GP Limited
- BDC III Limited
- BDC III SFP GP Limited
- BDC IV Limited
- BDC Special 1 Limited
- BDC Special 2 Limited
- BDC Special GP LLP
- BDCP II SFP GP Limited
- BDCP II Limited
- BEV FP SGP Limited
- Bridgepoint Advantage FP SGP Limited
- Bridgepoint Europe III FP (GP) Limited
- Bridgepoint Europe IV FP (GP) Limited

29 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group has determined that where the Group holds an investment, loan, fee receivable, commitment with an investment fund, CIP with a right to carried interest, that this represents an interest in a structured entity. Where the Group does not hold an investment in the structured entity, the Group has determined that the characteristics of control are not met. As set out in note 3 (a), CIPs that currently have value are those where the Group is exposed to variable returns in the range of 5-26% with the main beneficiaries of the CIP being the other participants.

The disclosure below includes CLO 2 and 3 for the year ended 31 December 2021, which are not consolidated, as explained in note 3 (a) (2020: CLO 1 and 2 were consolidated).

The Group acts in accordance within pre-determined parameters set out in various agreements and the decision-making authority is well defined, including third-party rights in respect of the investment manager. The agreements include management fees that are commensurate with the services provided and performance fee arrangements that are industry standard. As such the Group is acting as agent on behalf of these investors and therefore these entities are not consolidated into the Group's financial statements.

The Group's interest in and exposure to unconsolidated structured entities including outstanding management fees is detailed in the table below and recognised within trade and other receivables in the statement of financial position. The carried interest receivable is included within the statement of financial position.

	Value of the Group's co-investments at year-end £m	Typical Group commitment to the fund as %	Total investor commitments £bn	Net asset value of the funds at year-end £bn	Management fees received by the Group £m	Typical management fee range %	Carried interest rate %	Group share of carried interest %	Group accrued carried interest receivable at year-end £m	Group maximum exposure to loss at year-end £m
31 December 2021										
Private equity funds	**217.9**	**<2%**	**23.0**	**13.8**	**157.3**	**0.75 – 2.00%**	**Generally up to 20% of profits over threshold**	**Up to 35%**	**36.4**	**254.3**
Credit funds	**108.1**	**<2%**	**5.9**	**3.8**	**37.9**	**1.00 – 1.75%**	**Generally up to 20% of profits over threshold**	**Up to 35%**	**2.5**	**110.6**
	326.0		**28.9**	**17.6**	**195.2**				**38.9**	**364.9**
31 December 2020										
Private equity funds	191.2	<2%	23.9	11.4	136.6	0.75 – 2.00%	Generally up to 20% of profits over threshold	Up to 35%	24.9	216.1
Credit funds	64.2	<2%	4.9	2.8	10.2	1.00 – 1.75%	Generally up to 20% of profits over threshold	Up to 35%	3.0	67.2
	255.4		28.8	14.2	146.8				27.9	283.3

Shareholder information

Corporate website

The Company's website at www.bridgepointgroupplc.com contains various information which may be useful to shareholders, including the current share price and press releases. It is possible to sign up on the website to receive email alerts for press releases.

Shareview

Equiniti is the Company's share registrar. www.shareview.co.uk is Equiniti's free, self-service website where shareholders can manage their interests online.

The website enables shareholders to:

- view share balances;
- change address details;
- view payment and tax information;
- update payment instructions; and
- update communication instructions.

Shareholders can register their email address at www.shareview.co.uk to be notified electronically of events such as AGMs, and can receive shareholder communications such as the Annual Report and the Notice of Meeting online.

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the Registrar.

Registered office and principal place of business

Bridgepoint Group plc
95 Wigmore Street
London, W1U 1FB

Tel: +44 (0) 20 7034 3500

Registered in England and Wales
Company No. 11443992

Corporate Brokers

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London, E14 5JP

Morgan Stanley
25 Cabot Square
Canary Wharf
London, E14 4QA

BNP Paribas
10 Harewood Avenue
London, NW1 6AA

Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London, E1W 1DD

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing, West Sussex BN99 6DA

Telephone: 0371 384 2030 from UK or
+44 121 415 7047 from overseas

Financial calendar

Ex-dividend date	21 April 2022
Record date	22 April 2022
Annual General Meeting	12 May 2022
Payment date for dividend	16 May 2022
Half-year results	26 July 2022

Glossary

Admission	the admission of the whole of the issued and to be issued ordinary share capital of the Company to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities;
Articles	the Articles of Association of the Company;
Board	the board of directors of the Company;
Companies Act 2006	the UK Companies Act 2006, as amended from time to time;
Company	Bridgepoint Group plc;
Corporate Governance Code	the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council, as amended from time to time;
FCA	the Financial Conduct Authority;
Group or Bridgepoint	the Company and each of its direct and indirect subsidiaries;
IPO	the initial public offering of the Company's ordinary shares;
Prospectus	the prospectus related to the Company dated 21 July 2021; and
subsidiary	has the meaning given to it in the Companies Act 2006.

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Bridgepoint Group plc
95 Wigmore Street
London
W1U 1FB

www.bridgepoint.eu

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