



Bridgepoint

Financial highlights

Assets under management

€38.0bn

(2021: €32.9bn)

APM KPI

Underlying profit before tax

£120.0m

(2021: £90.5m)

APM KPI

Total operating income

£307.4m

(2021: £270.6m)

IFRS KPI

Underlying EBITDA

£140.3m

(2021: £113.9m)

APM KPI

Underlying FRE

£75.4m

(2021: £48.5m)

APM KPI

Reported profit before tax

£127.4m

(2021: £62.6m)

IFRS KPI

Reported pro forma earnings per share

14.64p

(2021: 7.02p)

APM

Underlying pro forma earnings per share

13.75p

(2021: 10.41p)

APM

Key

APM Alternative Performance Measure

KPI Key Performance Indicator

IFRS Measure defined by IFRS

An explanation of the alternative performance measures (“APMs”) used by the Group, including underlying profit before tax, underlying EBITDA and reported and underlying pro forma earnings per share, is set out on pages 36 to 39 along with a reconciliation to statutory measures.



Introduction

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 2022 Annual Report and Accounts for Bridgepoint Group plc incorporates:

- the Strategic Report;
- the Directors' report, the corporate governance report and the Directors' remuneration report; and
- the financial statements,

each of which has been approved by the Board of Directors of Bridgepoint Group plc.



Adam Jones
Group Chief Financial Officer
and Chief Operating Officer

23 March 2023

Find out more
[bridgepoint.eu](https://www.bridgepoint.eu)

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Bridgepoint at a glance

Who we are

Bridgepoint Group plc is one of the world’s leading private asset growth investors with €38.0 billion of AUM and local presence in Europe, the US and China. We specialise in private equity and private credit and invest internationally across three core sectors: Advanced Industrials, Business and Financial Services, and Healthcare – with Technology as a transversal across sectors as it touches everything everywhere.

Led by a team of partners who have a long history of working together, Bridgepoint has a well invested platform that provides a strong foundation for future growth. The Group 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.

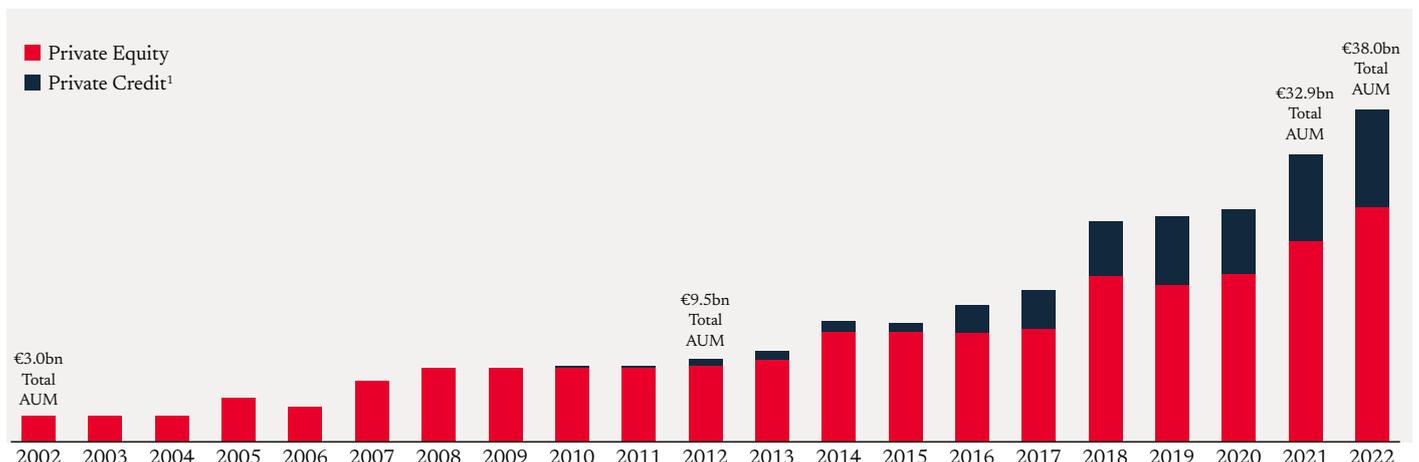


Track record of growth in the capital we manage

Total assets under management (“AUM”)

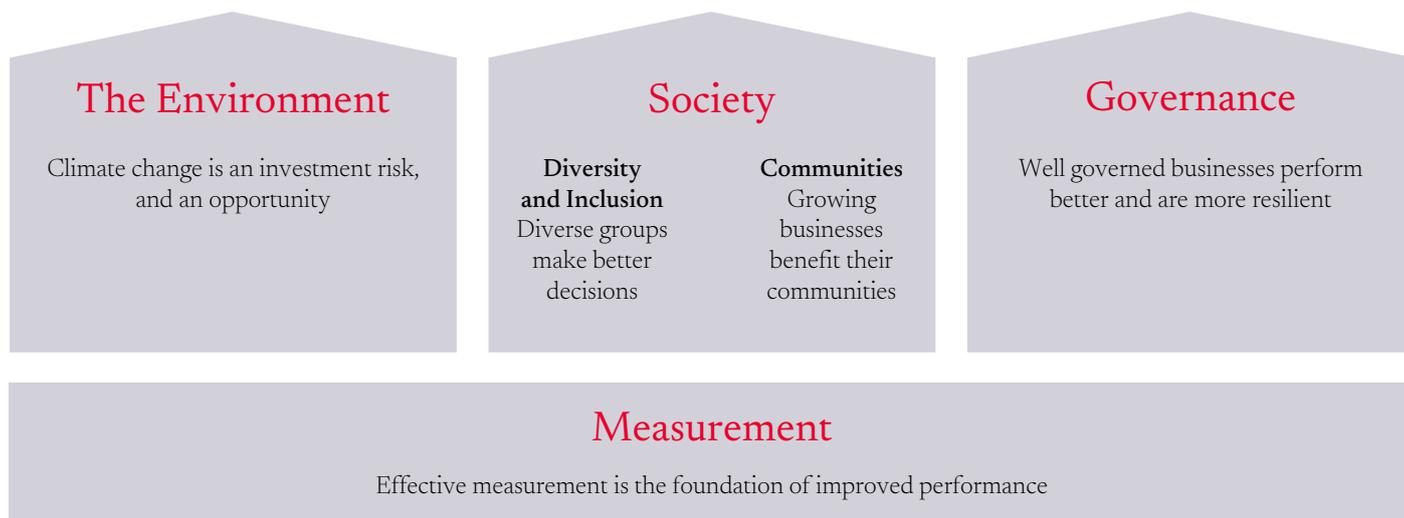
€38.0bn

(2021: €32.9bn)



1. Pro forma for the acquisition of EQT Credit

Bridgepoint creates lasting sustainable positive impact



Our year in numbers

Number of investment related professionals

>190

Total operating income

£307.4m

(2021: £270.6m)

Underlying EBITDA

£140.3m

(2021: £113.9m)

Underlying FRE

£75.4m

(2021: £48.5m)

Employees of Bridgepoint backed companies

>300,000

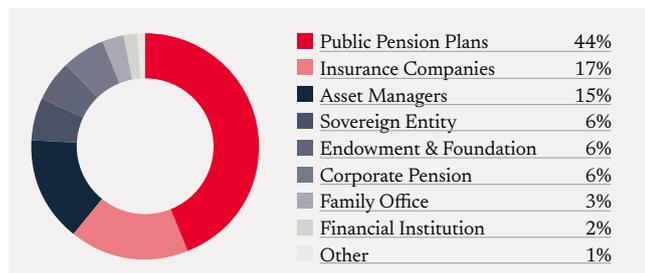
Reported profit before tax

£127.4m

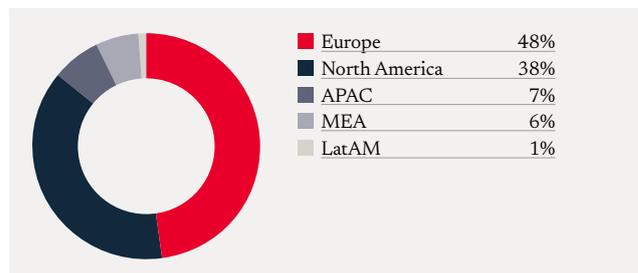
(2021: £62.6m)

Our fund investors

By type



By location



Our purpose and values

Purpose

Bridgepoint aspires to be a force for good. We drive growth and build value by connecting people, capital, ideas and opportunity.

Values

In everything we do, from committing investors' capital to working with portfolio companies, to supporting our teams, we're guided by our values.



We do
what we say

We do
the right thing

We act
with intelligence
and humility

Chairman's Statement

William Jackson

Bridgepoint today

Delivering growth and resilience

Bridgepoint is one of the world's leading middle market alternative investment companies, focusing on supporting high growth business in sectors or niches which enjoy structural tailwinds and where we have strong investment conviction.

This positioning has been especially rewarding in 2022, with excellent overall fund performance matched by Bridgepoint's own financial performance, delivering an attractive combination of growth and resilience.

In an uncertain macro environment Bridgepoint continues to benefit from its strong balance sheet, asset light model, high and stable margins and strong cash generation, as well as the growth tailwinds and long duration capital in the alternative assets sector more broadly. This position has been enhanced by further progress with fundraising activity in 2022 and capital deployment and distributions in line with expectations – with our funds taking advantage of attractive opportunities arising as a result of the current environment.

Of course, Bridgepoint and its portfolio companies are not immune to global events and market forces, but the scale and depth of Bridgepoint's team, its longevity and experience of working through multiple economic cycles (including being accustomed to tilting investment strategies to reflect market conditions) has helped us mitigate a more volatile macro environment.

Importantly our private equity businesses' clear middle market positioning (typically investing in companies valued up to €1.0 billion), where value is principally delivered through growth rather than leverage, provides resilience in more challenging times and the opportunity for significant growth potential in the future.

As a result, since our IPO in July 2021, Bridgepoint has grown AUM by 43% to €38 billion, helping to generate a 14% year-on-year rise in 2022 total operating income to £307 million and a 55% rise in underlying FRE to £75 million.

Strong exits throughout the current year and material revenue and profit growth in our portfolio companies helped us deliver investment income ahead of consensus despite asset pricing declines in many sectors across the wider market.

This resulted in our Company delivering strong financial performance during 2022 with underlying EBITDA and underlying profit before tax increasing by 23% and 33% to £140.3 million and £120.0 million respectively, translating to reported earnings per share of 14.6 pence.

Good progress on fundraising with momentum into 2023

Fundraising in 2022 was characterised by well documented market challenges, as investors found themselves overallocated to the asset class as public market valuations declined. During the year the overall fundraise market has recalibrated, with many investors focusing now more than ever on realised returns as the best performance benchmark. This has resulted in a shift towards proven private equity and private credit strategies.

Our strong investment platform, disciplined investment strategy and highly experienced team weathered by cycles are especially relevant at this point in the cycle and are proving increasingly attractive to potential fund investors. With a number of our funds in the market, we continue to make good progress towards our original fundraising targets with strong commitments from new investors. This is reflected in progress on BE VII over the last six months despite the second half of the year always being a slow time for fundraising. We have now raised some €5.4 billion of commitments for BE VII, up from €4 billion closed at half year.

Resilient investment performance

Our investment strategies in private equity and private credit focus on delivering absolute returns for fund investors whilst adopting a disciplined investment approach with measured diversification across sectors, geographies and deployment year. This helps in our drive to deliver attractive and resilient performance.

We have an unrelenting focus on using the depth of our investment platform across Europe to source the best opportunities in the middle market. We cannot be complacent, but I remain confident in our ability to continue delivering high quality and resilient investment performance in the years ahead.

Private equity

Across our private equity strategies, during 2022 we made eight platform investments, committing €1.8 billion, and returned €3.3 billion to investors.



William Jackson
Chairman



Assets under management

€38.0bn

(+15.5%) APM KPI

Total operating income

£307.4m

(+13.6%) IFRS KPI

Underlying EBITDA

£140.3m

(+23.2%) APM KPI

Underlying profit before tax

£120.0m

(+32.6%) APM KPI

Underlying FRE margin

31.1%

(2021: 24.3%) APM KPI

Key

APM Alternative Performance Measure

KPI Key Performance Indicator

IFRS Measure defined by IFRS

An explanation of the alternative performance measures (“APMs”) used by the Group, including underlying EBITDA, underlying profit before tax and underlying FRE margin is set out on pages 36 to 39 along with a reconciliation to the statutory measures.

2022 saw Bridgepoint Europe finalise the construction of the BE VI portfolio and transition to investing BE VII. In particular it's pleasing to report that BE VII has made a good start to its investment activity, committing to the €858 million acquisition of MiQ, a high growth programmatic advertising business, and the €865 million acquisition of Vivacy, a global personal healthcare company.

Bridgepoint Development Capital III also had a particularly strong year, exiting four investments at an average money multiple of 4.1x and now ranking as one of Europe's highest performing private equity funds for its vintage.

The current times also present opportunities and we remain confident in our ability to deliver strong returns to our investors from our middle market positioning. In particular middle market investing does not typically use high levels of scaled leverage and so the space is less constrained by the current paucity of leverage available to fund larger transactions. As entry prices for less mature businesses recalibrate and ‘tourist’ investors disappear, attractive new opportunities are already presenting themselves.

Selling assets today is clearly more challenging than 12 months ago, but the value of growth remains at a premium in the current market. Safe strategic assets remain highly sought after. Middle market sized companies are also attractive to large corporates in cautious times who don't want to ‘bet the farm’ and 98% of Bridgepoint fund realisations over the last 20 years have been delivered via private transactions, so our funds are not reliant on the IPO market for returns. As a result, after a very active year for exits in 2022, we continue to expect to return material amounts of capital to private equity fund investors in 2023.

Private credit

2022 marked an important turning point in the cycle to be in the credit market, with Bridgepoint Credit funds benefitting from higher interest rates and widening margins, which coupled with disciplined credit decision making is driving fund performance. Bridgepoint Credit is using its disciplined process to build well diversified funds that deliver attractive returns to investors whilst mitigating risks. Since inception our flagship Direct Lending funds have yet to record a loss on any lending exposure.

Across the Direct Lending and Credit Opportunities strategies the team deployed around €2.9 billion of capital in the year. In terms of fundraising, we expect to close the BDL III and BCO IV fundraises this year and will return to market within the next 12 months with successor funds.

Chairman’s statement

William Jackson *continued*

Ready for tomorrow

Business development, business leadership, and ESG

Continued organic and M&A driven growth across investment strategies and geographies

At IPO we set out our strategy to continue to grow Bridgepoint successfully both organically and by acquisition by taking advantage of the structural growth tailwinds that support the alternative asset management sector.

Business development remains a key area of focus for Bridgepoint as we look to continue to scale existing strategies and to extend our offering and expand into new adjacent strategies in Europe and North America. We have been patient as markets recalibrate but continue to see significant potential to continue to develop our market leading investment platform through selective M&A. Targets must be of appropriate scale, be capable of delivering strong growth, be run by a standalone team and be demonstrably accretive to shareholders.

Bridgepoint’s day job is making acquisitions and we will continue to apply this expertise very carefully to what is now a growing list of attractive opportunities for potential expansion.

More information on our strategy can be found on page 24.

Board and people: investment in leadership and governance

People are Bridgepoint’s greatest asset. We pride ourselves on our ability to recruit, develop and retain the best talent, enabling us to assemble the right team for each investment we support and bring together the best people to generate the best ideas.

In 2022 we increased the depth of our leadership team with Chris Busby, a highly experienced PE professional and a 26-year Bridgepoint veteran becoming Head of Bridgepoint Europe, leading BE’s operations

on a day-to-day basis. Frédéric Pescatori, who heads Bridgepoint’s activities in France, has taken the role of BE’s Deputy Head. Additionally, Hamish Grant joined our Executive Committee in the middle of 2022 as the new head of our Investor Services team following the retirement of John Barber after 16 years of excellent service to the Company. He supports all aspects of our fundraising efforts and oversees our fund investor relationships.

Since IPO we have continued to carefully build a Board that provides high quality governance, that challenges our executive team and that can add genuine value to our business. In the second half of the year, we announced the appointment of Cyrus Taraporevala to the Board as an independent Non-Executive Director.

Cyrus is a highly respected financial industry expert with more than 30 years of experience in asset management, and his first-hand knowledge of successfully leading and growing global businesses of scale will be invaluable to the firm. He brings deep understanding of the investment management world including in relation to ESG matters, having spoken and published multiple articles on climate risk and other aspects of ESG.

We expect to make at least one further NED appointment to our Board over the next 12 months to further deepen the Board’s skill set and broaden its diversity.

Continued work on ESG and corporate responsibility

ESG is embedded across Bridgepoint’s investment process and approach to portfolio management, but we aim for constant improvement. I am grateful to Dame Carolyn McCall, who leads the Board’s ESG Committee and has oversight of environmental, social and governance matters at Bridgepoint.

Bridgepoint invests to help companies grow. We look to support strong-performing, good quality, well-managed businesses that have the potential to flourish, whether through international expansion, operational improvement or acquisitions.

Our story so far

2000

Partners buyout the business from NatWest

“The deal turned out to be the best deal that Bridgepoint have ever done”

Martin Dunn, Senior Partner, Investor Services

2008

The global financial crisis

“One of the lessons that we learned from the GFC was to reduce our reliance on being a single product business and to reduce our reliance on a single geographic area of the world”

Guy Weldon, Group Managing Partner, Head of Investment

2009

Bridgepoint Development Capital formed

“It’s very clear there are attractive investment opportunities in the smaller buyout market across Europe, and the formation of BDC enables us to capitalise on those”

William Jackson, Chairman

2011

Bridgepoint Shanghai office opens

“The philosophy and the belief of Bridgepoint is to have the local people run the local business”

Jonathan Zhou, Partner, Shanghai

2014

Diversification and expansion

“To take the business to the next stage... expand the international investor base, reposition the infrastructure of the organisation, retain the best of the culture”

William Jackson, Chairman

However, it is no longer good enough to focus solely on financial returns. The climate crisis, war in Ukraine and the exacerbation of the impact of the recent Turkish earthquake by poor business practices underscore the need for all of us to act to have a positive impact on society.

For Bridgepoint specifically, we aim to ensure our partner businesses are governed according to high standards. Bridgepoint’s role in supporting 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 more sustainably. Our ambition is to create lasting, sustainable, positive impacts so that our investors, shareholders and employees are proud of how we generate returns.

Bridgepoint’s operations have been carbon neutral since 2020 and continues to focus on emissions reduction, ultimately aiming for net zero emissions. In 2019 we reached our target of 25% female representation in our investment teams and are now making progress towards our new target of 40%.

During the year we further strengthened our ESG team with the appointment of a new Head of Sustainability and have put in place dedicated ESG team members in each of our deal teams to drive additional value creation across the portfolio.

In 2022 we supported a range of charitable projects through the Bridgepoint Charitable Trust and took part in local initiatives like the Covid vaccine roll out in the UK. The Trust has most recently supported Turkey earthquake relief charities.

Ultimately, I believe that this holistic approach drives long-term returns for our fund investors and in turn our shareholders.

Dividend

We are proposing a final dividend of 4.0 pence per share, consistent with the interim dividend. Bridgepoint aims to grow its dividend progressively over time as we scale by organic growth of our existing businesses and by adding complementary or adjacent strategies.

Outlook

Bridgepoint ended 2022 in a strong position and has started 2023 with good momentum.

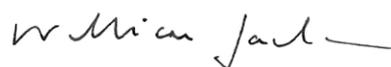
Our deep investment platform, middle market positioning and disciplined investment approach across private equity and credit positions us well to continue to provide strong returns to fund investors. As I said at the time of the IPO, if Bridgepoint performs well for its fund investors our shareholders will also do well.

I believe there are good reasons for optimism as we look ahead. The alternative investment market continues to enjoy significant tailwinds which are driving increased long-term allocations over the medium term. This structural trend is also enhanced by the well documented increasing interest of retail investors in the space, which we expect to become an increasingly important source of our own capital in the future.

With this market background driving organic growth and with our long duration capital, strong balance sheet, asset light model, high and stable margins, strong cash generation and attractive dividend yield, Bridgepoint’s outlook remains very attractive. This resilience was central to the Board’s decision to commence a share buyback programme earlier in the year.

Finally, on behalf of the Bridgepoint Board I’d like to thank all colleagues working at Bridgepoint and within our portfolio companies for their dedication and hard work and without whom we wouldn’t find ourselves in such a strong position today.

The strategic report on pages 4 to 83 has been approved by the Board of Directors and is signed by:



William Jackson
Chairman

2016

Bridgepoint NYC office opens

“What you’d like to feel is that in each of our offices the office feels both local and Bridgepoint”

Raoul Hughes, Group Managing Partner, Head of Business Development and Strategy

2018

Bridgepoint sells minority stake to Dyal Capital Partners

“The investment by Dyal will allow us to accelerate our investment programme in our existing business as well as extend our middle market presence”

William Jackson, Chairman

2020

Bridgepoint acquires EQT Credit

“This transaction significantly accelerates the growth of our Credit activities, in line with our wish to continue to offer a diversified range of investment products to our investors”

William Jackson, Chairman

2021

The IPO and beyond

“We wanted to raise further capital to continue the growth agenda and the IPO was the way to do it”

Raoul Hughes, Group Managing Partner, Head of Business Development and Strategy

2022

The future of Bridgepoint

“The future is about making sure that at Bridgepoint in 2040, somebody sitting in this chair will look back and go ‘we never thought we’d have got to there in 2022”

William Jackson, Chairman

Market

Bridgepoint's disciplined investment approach, experienced team, broad sector diversity and deep presence across European geographies, coupled with middle market focus, leave the Company well positioned for uncertain times.

Portfolio companies were largely resilient to macroeconomic headwinds in 2022, with EBITDA growing at around 16% and a strong set of PE exits in the year. This illustrates the strength of Bridgepoint's investment approach, focusing on market leading businesses with strong thematic tailwinds, high EBITDA margins, strong cash conversion and significant potential for expansion.

Read more on Bridgepoint's business model on page 14.

Market

The macro and geopolitical environment remains uncertain. High inflation and interest rates have persisted, and European governments in particular are working to manage the ongoing energy crisis. With this backdrop, in 2022 we have focused on addressing inflationary pressures both within Bridgepoint and fund portfolio companies. As we construct the BE VII and BDC IV portfolios we are also tilting our investment strategy to reflect and take advantage of changing market conditions.

Market uncertainty has had direct benefits for our Credit business. The vast majority of Bridgepoint Credit's portfolios feature floating rate instruments (i.e. Euribor +), with EURIBOR having increased from 0% at the start of 2022 (reflective of floors) to 1.9% by December 2022. In addition to this, the recent market uncertainty has created a number of opportunities for private credit to increase market share. The decline in activity from traditional lenders has resulted in increased opportunities for Bridgepoint's direct lending strategy, while Bridgepoint's credit opportunities strategy has benefited from volatility in the secondary market providing opportunities to purchase assets at attractive levels.

Whilst overall the business is not immune to changes in the macroeconomic environment we have a very experienced team, and it is worth noting that the majority of our equity portfolio companies enjoy high margins with strong cash generation and use relatively modest leverage compared to peers. Our fund returns are driven by focused domestic and international value creation strategies with exposure to multiple geographies. Moreover, some 98% of Bridgepoint exits over the last 15 years have been private market transactions, with very little reliance on the currently subdued IPO market for exits. Most of our exits have been delivered at higher valuation multiples than entry multiples, reflecting a valuation re-rating due to company growth and re-positioning rather than broader sector valuation changes, which we believe is a useful protection in current market conditions.

Portfolio strength at a glance

The Group's investment portfolios are trading in line with expectations despite current market volatility:

- Significant portfolio EBITDA growth in 2022 (for example, 30% and 24% weighted average EBITDA growth in BE VI and BDL III respectively)
- Bridgepoint fund portfolios comprise mainly high margin, cash generative companies (for example, 27% and 30% EBITDA/revenue average margin in BE VI and BDL III respectively)
- Equity fund portfolios have currency hedging covering some 78% of non-Euro exposures
- Bridgepoint's Credit business is focused on companies with high equity value cover (for example, 66% average equity value cover in BDL III)
- Bridgepoint funds have limited exposure to assets where performance is driven by discretionary spending
- Credit funds are invested in companies within defensive and resilient sectors (for example, over 75% of BDL III's portfolio is invested in Business Services, Healthcare and TMT)
- Portfolio companies have been impacted by rising energy costs, but Bridgepoint portfolios, as a whole, do not comprise businesses with high energy use and energy costs represent on average less than 1% of portfolio company revenues

These attributes were reflected in Q4 valuations which are in line with expectations, with underlying profit growth within portfolios compensating for a fall in valuation multiples in some sectors.

Bridgepoint's fund level resilience is further bolstered by a disciplined approach to portfolio construction.

Read more on Bridgepoint's approach to portfolio construction on page 21.



Continued growth in private markets

Despite wider macro uncertainty, the private asset management market continues to benefit from sector tailwinds. Private market investments are an increasingly important asset class both for investors seeking returns and for asset management firms, resulting in increasing allocations to private assets. 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 seven to 10 years. The sector benefits from a number of factors, including:

- **Relative long-term out performance 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, including in periods of heightened market uncertainty
- **Search for higher, differentiated returns** – The gap between pension assets and liabilities remains wide, not least as a result of ageing populations in many developed countries, and pension funds have increased allocations to private markets to meet long-term return obligations, given the generally higher returns relative to public markets
- **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 defines the middle market as comprising businesses with an enterprise value typically of up to €1 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 are approximately 25,000 companies in Europe with EBITDA between €15 million and €75 million as of February 2023.

Middle market investment by the private equity sector has remained resilient even through periods of disruption. In Europe, investments in middle market businesses have consistently accounted for the majority of private equity deals from 2007 to 2022. From 2017 to 2022, there were over three times more European middle market transactions than European large-cap transactions.

Many of these transactions result from businesses outgrowing their existing shareholder structure (typically founders, smaller investors or larger conglomerates) but still requiring significant investment and expertise (for example in people, systems and infrastructure). This provides Bridgepoint with an opportunity to put investors' capital and the Group's expertise 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 invest in a platform which is able to sustain growth over the long-term represents a barrier to less well-established investors. For example, such investments require 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, resources that are typically unavailable at smaller firms.

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

Business model

Bridgepoint is a global leader in middle market private assets investing. The Group has a 30-year track record of delivering compelling returns with an attractive risk profile to a blue-chip base of over 450 investors globally.

- > We raise capital from a large and diverse client base
- > We invest in middle market private assets
- > We use Bridgepoint's differentiated market position to create strong and consistent returns on capital deployed
- > We receive fees for managing clients' capital

We raise capital from, and invest on behalf of, a globally diverse, long-standing and growing blue-chip client base, which includes many of the world's leading investors. Indeed, across the Group's base of more than 450 institutional investors the average relationship length with Bridgepoint is 14 years.

Throughout the Company'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 300 businesses.

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

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

30

year track record of delivering compelling returns

A diverse client base

In terms of the institutions that invest in our funds, the top three categories are public pension plans (44%), insurance companies (17%) and asset managers (15%). The remaining 24% is split between endowments, foundations, sovereign entities, family offices, corporate pensions and financial institutions.

Regionally, Europe, at 48%, is our largest source of capital followed by North America (38%), Asia Pacific (7%), and the Middle East (6%).

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. In comparison to public markets, our clients' capital is committed for the long term, with private funds typically benefiting from capital being locked in for seven to 10 years.

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.

Our balance sheet capital is invested alongside our clients' funds and is both an enabler and accelerator of the growth of our business.

Business model *continued*

How we create value

Bridgepoint offers a truly differentiated pan European middle market position.

It operates at enterprise values below those targeted by large cap firms and more broadly and deeply than other middle market platforms.

Differentiated and sustainable approach delivering high-quality returns

The Bridgepoint funds' investment approach has delivered strong and consistent returns. Based on latest benchmarking (Q3 2022), all Bridgepoint Europe and Bridgepoint Development Capital funds raised after the global financial crisis of 2008 to 2009 are first or upper second quartile performers. Additionally, 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

Middle market focus

Typically up to €1.0bn enterprise value

2

Local presence

Over 190 investment related professionals and 10 offices globally

3

Sector specialists

Deep sector knowledge and thematic investment approach

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 2 3 4 5 6 7 8

1 A leader in middle market 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 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.

Attractions of the middle market for clients:

- **Expertise**
 - Greater scope to drive step-change in growth, for example, through improving operations and international expansion
- **Consolidation**
 - Substantial opportunity to consolidate fragmented markets via add-on acquisitions
- **Scale of opportunity**
 - 25,000 companies in Europe with EBITDA between €15 and €75 million
- **Number of opportunities**
 - Over the last 10 years there have been 4.5x more transactions in the middle market than the large buyout market
- **Ownership**
 - Businesses often outgrowing founder or smaller investor base
- **Capital**
 - Firms require significant investment in people, systems and infrastructure to grow

Read more about the middle market on page 13



2 Evolving and well-invested office network

The Group has one of the largest 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 therefore fund investor returns. This wide network provides Bridgepoint with "on the ground" local expertise in conjunction with sector teams to produce material competitive advantage.

See a map of our office network on page 4

1 2 3 4 5 6 7 8



3 Deep and long-standing sector focus

Both private equity and credit strategies are organised into sector teams which operate on an international Group-wide basis. Based on long term thematic trends, each sector team identifies best segments within their sector and the best companies within each segment. This “Sector map” is continuously updated. For example, within private equity, this is illustrated in the healthcare sector 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 sourcing of investment opportunities.



1 2 3 4 5 6 7 8



4 Differentiated sourcing and origination

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.

Bridgepoint's credit business continues to benefit from a number of differentiated sourcing and origination angles, including a localised approach drawing upon origination teams in five core markets across Europe and Bridgepoint Credit's industrial advisor network. Bridgepoint Credit's multi-strategy approach, including the recently launched CLO business, has further deepened Bridgepoint's sourcing capabilities through increased exposure to the syndicated loan market.



1 2 3 4 5 6 7 8

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:

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

Every Bridgepoint fund is deliberately diversified by vintage year, sector, geography and number of investments. For example, typically, no asset will account for greater than 10% of a fund's capital.

For private equity, this portfolio construction process is combined with prudent opening capital structures and a balanced mix of value and growth-themed investing. This diversification leads to funds with a consistent performance profile, high cash generation, high average operating margins, good revenue visibility, low standard deviation of returns and low loss ratios.



1 2 3 4 5 6 7 8

6 Hands-on value creation philosophy

Bridgepoint drives value from investment to exit through a toolbox of strategic and operational improvement measures. These typically include the improvement of systems and governance, organic growth through new product development, increased salesforce effectiveness and international expansion as well as the optimisation of costs. Bridgepoint also has a focus on delivering value-accretive add-on acquisitions for portfolio companies across its private equity strategies. For example, Bridgepoint Europe VI portfolio companies have completed 50 add-on acquisitions as of 31 December 2022.

Bridgepoint Europe VI portfolio companies have completed

50

add-on acquisitions
as of 31 December 2022.

7 Responsible investing

Bridgepoint has embedded ESG across its investment process and approach to portfolio management. We aim for constant improvement. Bridgepoint has an institutionalised ESG governance framework and a growing in-house ESG team. ESG is monitored across the life cycle of investment activity and specific ESG key performance indicators are reported by portfolio companies annually. Bridgepoint expects portfolio companies to deliver positive impact, including through:

- **Reducing environmental impact**
 - Lowering their environmental impact by reducing their carbon emissions through implementing environmental initiatives such as reducing energy consumption
- **Promoting diversity and inclusion**
 - Attracting and maintaining a diverse pool of talent across the business, including at all levels of seniority, and set DE&I targets and ambitions

- **Creating new employment**
 - As our portfolio companies grow, they create jobs with fair wages and aim to improve working conditions for their employees
- **Engaging with local communities**
 - Engaging in charitable activities and volunteering initiatives to give back to communities
- **Contributing to local economies**
 - All portfolio companies are expected to be fair tax payers

For more detail on ESG, please see pages 54 to 66

1 2 3 4 5 6 7 8



8 Data-driven approach

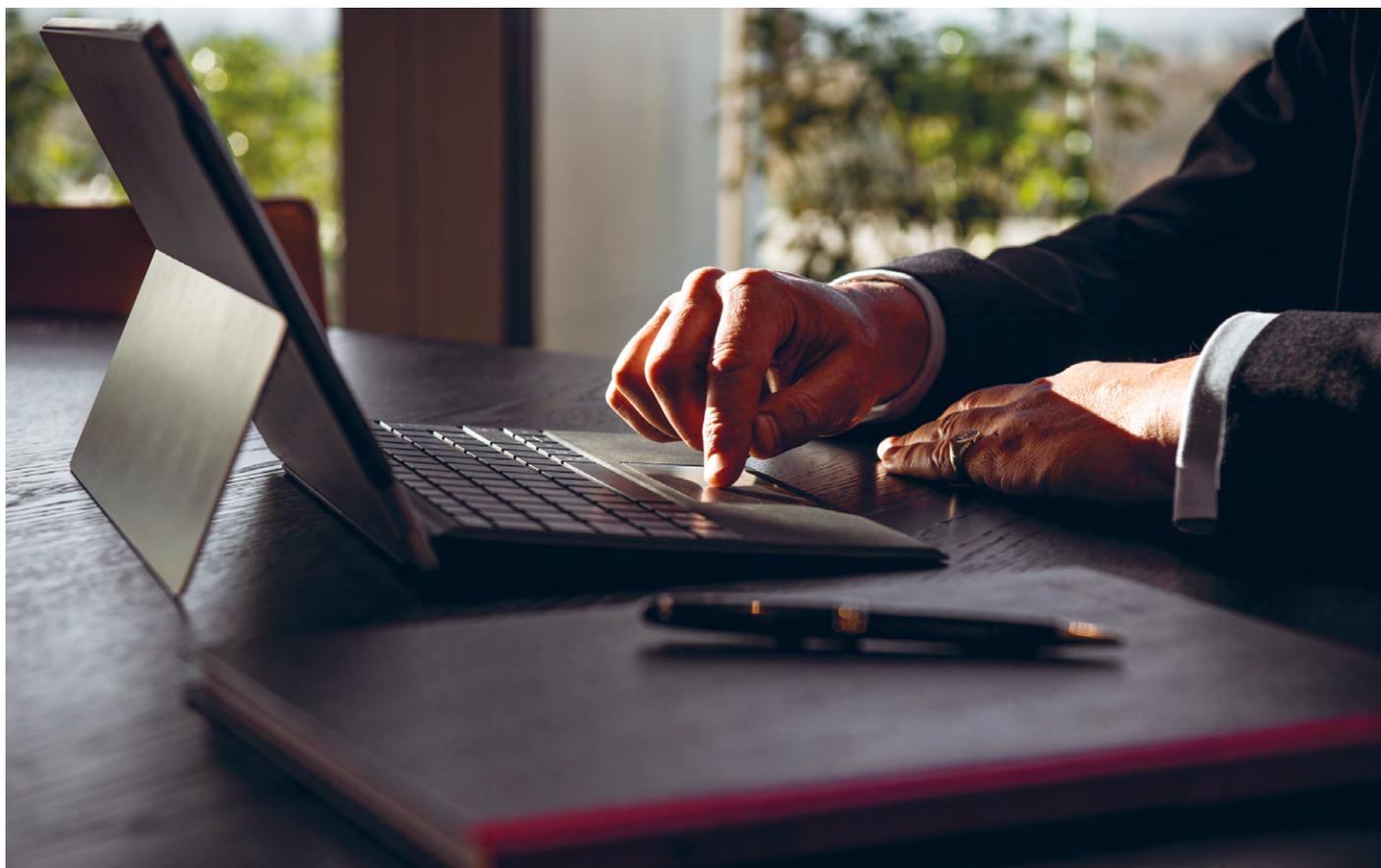
The Group believes that the breadth of data it holds from more than 30 years of investing and a long track record of successful fundraising is an additional source of potential competitive advantage. For example, we hold performance data on more than 10,000 trades in the credit business and information from more than 300 current and historic private equity investments, providing the Group with a deep and continuously growing track record of roughly 19 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.

More than

30

years of investing



Strategy

Bridgpoint is a global leader in middle market private asset investing and strongly positioned to continue to deliver significant growth.

Our strategy is focused on growing and diversifying Bridgpoint's business and creating value for clients and shareholders. There are three strategic pillars:

- The continued organic scaling of existing strategies;
- Product strategy extension; and
- Adding additional verticals over time through acquisition-led expansion.

Our key strategic pillars

Activity

Opportunity



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 Bridgpoint's strong position as the leader in the European middle market to continue scaling existing strategies through further enhancing each strategy's investment platform and exploiting the opportunity of an evolving middle market



New products within existing investment strategies

Continue to launch new credit and equity products within existing investment strategies

Utilise the strength of our existing platform, origination capability, domain and sector knowledge plus strong central functions (see business model section on pages 14 to 23) to launch funds that complement our core strategies



Building new investment strategies

Continue to successfully acquire and integrate new businesses in adjacent private market asset classes

Significant scope to enhance Bridgpoint's scale and middle market positioning, and create platform synergies through entry into adjacent alternative asset classes

Delivering on our strategy



Scaling of existing strategies

The middle market of the alternative asset management 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 €1.0 billion. 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.

In addition, there 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 Germany, where the Group has significantly expanded the investment team.

Bridgepoint Development Capital: similarly placed to deepen scale in existing geographies. This is evidenced by the significant size of more country specific funds in its market, alongside the opportunity to expand 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, as evidenced by strength in Sweden, Germany, and France alongside continuing to build the track record of the Bridgepoint Credit Opportunities strategy in the United States.

A track record of expansion

2009, 2010

BDC: Acquisitions of Hermes direct investment platform & funds previously managed by Edmund de Rothschild
Takes Bridgepoint’s institutionalised approach and platform to the SMid cap market

2016

US presence
Develops Bridgepoint’s global presence, supports portfolio companies, increases deployment capability, therefore potential fund growth and reinforces existing activities in North America

2018

Dyal minority transaction
Provided capital to the Group for accelerated growth

2021

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

2016

Bridgepoint Growth
Adds the third pillar of Bridgepoint PE

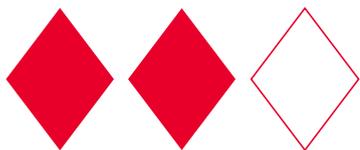
2016

Bridgepoint Credit (Organic expansion)
Establishes Bridgepoint in the second largest alternative asset class, providing diversity and growth potential

2020

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

Delivering on our strategy *continued*



New products within existing investment strategies

Bridgpoint has a strong track record of developing new products within existing investment strategies. Both the private equity and credit businesses began as single investment strategies before growing both organically and inorganically, so that each currently has three distinct investment products.

Further potential exists for new products that would complement the current offering. Possible avenues in due course include broadening the Bridgpoint private credit offering to adjacent verticals, such as infrastructure debt.

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

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

Bridgpoint has also successfully added multiple complementary ancillary funds within its existing investment strategies. This is illustrated by the sizeable continuation funds raised for flagship Bridgpoint Europe funds and Bridgpoint Development Capital funds which drive further value creation in the assets transferred and create additional value for fund investors.





New investment strategies

Bridgepoint intends to further scale by entering adjacent private market asset classes, likely through acquisition.

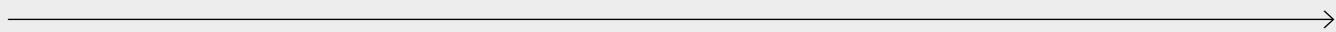
There is scope to significantly enhance Bridgepoint’s middle market positioning and further deepen its market insights and platform synergies via the addition of further product verticals alongside private equity and private credit.

The Group has a strong track record of successfully acquiring and integrating new businesses alongside organic development in current verticals. In the medium term, Bridgepoint sees scope for similar acquisitions within other private markets asset classes, such as real estate or infrastructure, but also other segments 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 rigour, with a focus on delivering sustainable returns for shareholders.

Both real estate and infrastructure offer the opportunity to create businesses of global scale and the Group aims to build out in these strategies to create additional core business lines in the medium-term.

Key gatekeeping criteria to determine strategic growth opportunities



Returns for shareholders

Returns for fund investors

Competitive advantage

Complements existing strategies

Run by a standalone team/
resource efficiency

Longevity and scalability

Alignment with Bridgepoint brand

Stakeholder engagement and section 172(1) statement

Key stakeholders

The Board has identified its key stakeholders as colleagues, fund investors, shareholders, 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.

Colleagues

Key considerations

Bridgepoint is a people business. Its employees are integral to the continued success of the Group, and therefore the retention, development and motivation of colleagues is key.

How Bridgepoint engages with colleagues

The Board actively engages with colleagues through a variety of channels, including town hall briefings, videos and team meetings. A firm-wide conference was held in October 2022, which included presentations from senior management on the Group's strategy, history and priorities, sessions for business units to share knowledge and optimise working practices, and talks from external speakers designed to inform and inspire colleagues across the firm.

On an annual basis, the Group conducts an employee engagement survey to obtain feedback from employees, the results of which are fed back to business unit heads, the Executive Committee and the Board as appropriate, and a number of actions are taken in response. The year-on-year progress on survey results is monitored carefully as part of this review.

Members of the Board meet with various members of senior management, both through Board and committee meetings and through separate discussions, 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 and attended the firm conference in October 2022 to speak to employees and also hear their views. Angeles was also actively involved in a number of firm-wide initiatives in 2022 focused on leadership development and diversity, equity and inclusion.

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 and an annual wellness allowance.

Stakeholder engagement *continued*

Fund investors

Key considerations

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 are who the Group owes regulatory duties to.

How Bridgepoint engages with fund investors

The Group has a dedicated investor relations function, which manages the Group's relationships with all of its fund investors whilst seeking to develop new relationships with prospective clients.

Management of relationships with fund investors has been a key priority throughout 2022 given the Group's active and extensive involvement in fundraising across strategies. As a result, 2022 saw a high level of interaction and communication with existing and prospective fund investors, with regular feedback on these fundraises provided to the Board and the Executive Committee.

Fund investors typically undertake due diligence on the Group as part of their assessment of an investment into a Bridgepoint fund. These exercises help to provide the Group with an up to date view of the primary concerns and considerations of such investors, and these often then become important factors in how the Group manages and operates the funds in which fund investors invest.

Fund investors also 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

Key considerations

A strong and transparent relationship with shareholders is essential for the long-term success of the Group.

How Bridgepoint engages with shareholders

Members of the Board (including the Executive Directors and the Senior Independent Director) 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 shareholders and other stakeholders fairly.

At the firm-wide conference held in October 2022, Angeles Garcia-Poveda, Carolyn McCall and Tim Score met with various employee shareholders of the firm.

Following the release of Bridgepoint's preliminary results for 2022, shareholders and analysts were given the opportunity to join a webcast attended by certain Directors to discuss the results and ask questions more generally. Similarly, a webcast occurred following the release of the interim results in 2022. In addition, the Board engaged with shareholders at the AGM held on 12 May 2022, which provided shareholders with a further opportunity to ask questions and engage with the Board.

More generally, shareholders were given the opportunity to learn more about the Group and its investment activities during the year, such as through a teach-in on the Group's private credit strategy that occurred in November 2022.

Portfolio companies

Key considerations

The companies in which funds managed by the Group invests are the source of returns to its fund investors and ultimately the Group's shareholders. Bridgepoint backed companies employ over 300,000 people and have a significant role in the wider community.

How Bridgepoint engages with portfolio companies

Central to the prudent management of the portfolio companies and value creation is the Group's constant focus on improvement, both in financial and non-financial terms, as well as the building of sustainable businesses. Strong relationships with portfolio companies provide a platform for better strategic decision making at the investment level, which in turn helps to drive value for the benefit of the portfolio company itself but ultimately the relevant fund investors and the Group's shareholders.

The Group's investment teams provide the principal means of portfolio company engagement, with investments in Bridgepoint's private equity strategy typically involving the appointment of Group investment professionals as directors on portfolio company boards. An important factor in the ongoing relationship with portfolio companies is the integration of ESG criteria in the Group's investment approach, with investment teams working with the management teams of portfolio companies in this regard. For more information on ESG see pages 54 to 66.

Beyond formal engagement at the portfolio company board level, engagement also occurs informally through investment teams on an ongoing basis (for example, private credit investment teams maintain dialogues with portfolio company sponsors).

Community

Key considerations

The Group recognises the responsibility it has to wider society and is committed to contributing positively to the communities in which it operates.

How Bridgepoint engages with the community

Bridgepoint has a long history of charitable giving, and regularly seeks out meaningful and impactful partners with whom we can partner or where our donation can make a difference. During 2022, the Bridgepoint Charitable Trust made a donation to the Ukraine Humanitarian Appeal of the Disasters Emergency Committee, renewed its funding to Läxhjälpen, a not-for-profit focused on supporting children in socioeconomically disadvantaged areas of Sweden, and matched donations made to Prostate Cancer UK, Ma Chance Moi Aussi and Ukrainian Action in connection with Bridgepoint's charity cycle from London to Paris in July. Charitable donations from the Group and the Bridgepoint Charitable Trust were £175,000 during the year.

During 2022, there were a number of community outreach initiatives including volunteering with the Covid-19 vaccination effort at the London Science Museum in February, working with the Woodland Trust and The Queen's Green Canopy to plant trees in the London Borough of Redbridge in April, offering support to Frankfurter Lebenshilfe's annual summer party in September, and in December undertaking a Christmas gift collection in support of the Tresham Centre for Disabled Children and Young People in London.

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.

Stakeholder engagement *continued*

Regulators

Key considerations

Regulators provide key oversight in respect of how the Group operates its business. The interests of fund investors and shareholders are served by Bridgepoint engaging constructively with regulators.

How Bridgepoint engages with regulators

During 2022, the Group engaged constructively with several of its regulators.

As part of efforts to seek regulatory registration in Luxembourg, the Group had significant engagement and discussions with the Commission de Surveillance du Secteur Financier.

The Group continues to contribute to industry bodies such as the British Private Equity & Venture Capital Association and Invest Europe, and through these and other channels the Group participates in regulator consultations and provides other input.

Suppliers

Key considerations

Good relations with suppliers are important to the Group's day-to-day functioning.

How Bridgepoint engages with suppliers

The Group regularly engages with its 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.

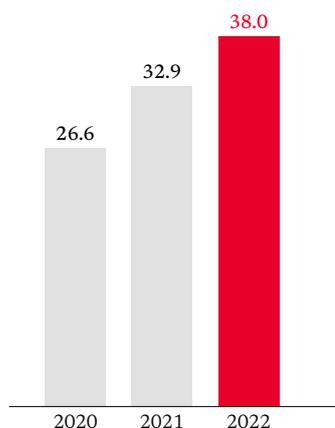
The Board's approach during 2022 to the matters set out in section 172 of the Companies Act 2006 is set out below.

Relevant consideration under section 172(1) of the Companies Act 2006	The Board's approach in 2022
(a) Long-term consequences of decisions	<p>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.</p> <p>Details of the Group's strategy are set out on pages 24 to 27 of this Annual Report. During the year, the Board spent significant time discussing potential strategic opportunities, and considering the longer-term growth of the business (including how excess funds held by the business are appropriately invested).</p> <p>Further details of other matters considered by the Board during the year are set out on page 99.</p>
(b) Interests of employees	<p>The Board has designated Angeles Garcia-Poveda as the Non-Executive Director responsible for gathering workforce feedback. During the year, she attended a firm conference to speak to employees and also hear their views.</p> <p>More generally, the Board recognises the importance of employee engagement and diversity, equity and inclusion, and has incorporated them as measures of Executive Director performance.</p> <p>In 2022, the Board considered the results of an employee engagement survey, and various matters arising out of it. The Remuneration Committee also considered broader workforce remuneration during the year.</p> <p>A cost of living payment was provided to junior colleagues during the year in order to provide support to those within the Group most likely to feel the effects of the changing economic climate.</p>
(c) Fostering business relationships with suppliers, customers and others	<p>Details on engagement with Bridgepoint's stakeholders are set out on pages 28 to 32 above.</p>
(d) Impact of operations on the community and the environment	<p>During 2022, the Board discussed ESG matters, as well as the Group's charitable giving strategy, and also considered the Group's tax strategy. Further details on ESG matters are set out on pages 54 to 66. The Group has been carbon neutral and operating on 100% renewable electricity since 2021. There were also continued efforts in 2022 to drive DE&I initiatives both at Bridgepoint and within our portfolio.</p>
(e) Desirability of maintaining a reputation for high standards of business conduct	<p>The corporate governance framework of the Group is summarised on pages 97 to 100.</p> <p>The Board has pursued compliance with substantially all of the Corporate Governance Code since the Company's IPO.</p> <p>At Board meetings, the Group's Company Secretary highlights developments in corporate governance and wider legal requirements.</p>
(f) The need to act fairly as between members of the Company	<p>Details on engagement with Bridgepoint's shareholders are set out on page 30.</p>

KPIs: tracking our performance

Total AUM
(€bn)

€38.0bn



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

Definition

See page 39 for a detailed definition

Link to strategy

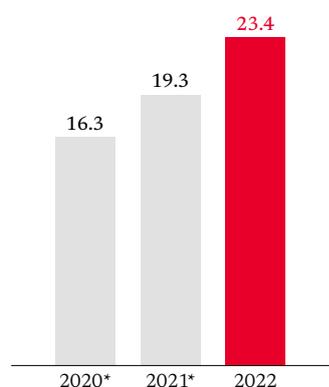
All three pillars of our strategy aim to grow AUM (see page 24)

Remuneration linkage

Links to ‘capital raised’ element of the annual bonus plan

Fee Paying AUM
(€bn)

€23.4bn



Description

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

Definition

See page 39 for a detailed definition

Link to strategy

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

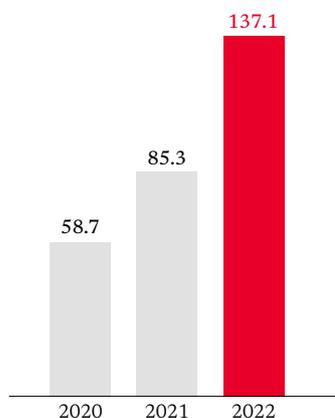
Remuneration linkage

Links to ‘capital deployed’ element of the annual bonus plan

* 2020 and 2021 Fee Paying AUM has been restated to include CLO AUM

EBITDA
(£m)

£137.1m



Description

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

Definition

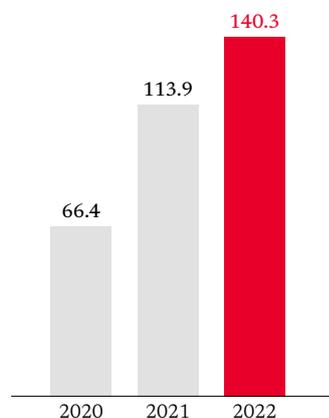
See page 37 for a detailed definition

Link to strategy

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

Underlying EBITDA
(£m)

£140.3m



Description

EBITDA excluding expenses related to the IPO, the acquisition of the EQT Credit business and M&A due diligence which were not incurred in the normal course of business

Definition

See page 37 for a detailed definition

Link to strategy

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

Remuneration linkage

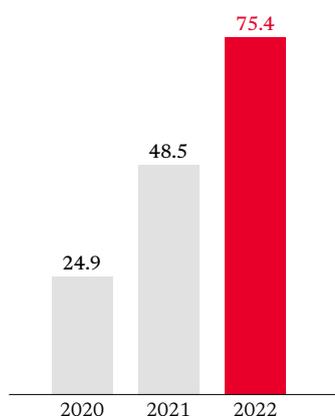
Links to the ‘EBITDA’ element of the annual bonus plan

**Underlying
FRE (£m)**

£75.4m

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

Definition
See page 37 for definition



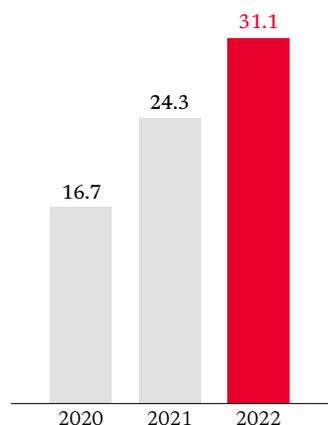
**Underlying FRE
margin (%)**

31.1%

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

Definition
See page 37 for definition

Guidance
45-50% in the longer term

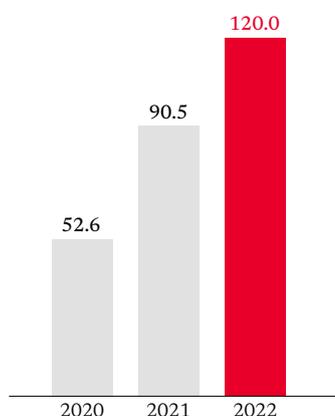


**Underlying profit
before tax (£m)**

£120.0m

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

Definition
See page 38 for definition

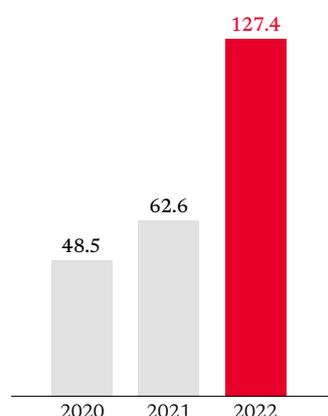


**Profit before
tax (£m)**

£127.4m

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

Definition
Profit for the year attributable to equity shareholders before taxation



Alternative performance measures

These full-year results include several measures which are not defined or recognised under International Financial Reporting Standards (“IFRS”), including financial and operating measures relating to the Group such as EBITDA, Underlying EBITDA, Underlying EBITDA margin, Underlying profit before tax, Underlying FRE, Underlying FRE margin, Fee Paying AUM and Total 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.

In addition, as the Group is required by IFRS to consolidate certain Collateralised Loan Obligations “CLOs” which are managed by the Group and in which the Group has an investment, the consolidated statement of financial position includes the assets and liabilities and the consolidated statement of cash flows includes the gross cash inflows and outflows for the period for those consolidated CLOs.

The consolidation of these CLOs could distort how a reader of the financial statements interprets the balance sheet and cash flows of the Group, therefore the CFO statement includes a summarised non-statutory balance sheet and cash flow statement which excludes the third party CLO assets and liabilities. Such measures are also APMs.

APMs should not be considered in isolation and investors should not consider such information as alternatives to total operating income, profit 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 and losses.		
Underlying EBITDA	Calculated by excluding exceptional items within EBITDA from EBITDA. Exceptional items are items of income or expense that are material by size and/or nature and are not considered to be incurred in the normal course of business. 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 162.		
		2022 £m	2021 £m
	Underlying EBITDA	137.1	85.3
	EBITDA	3.2	28.6
	Add back: exceptional items within EBITDA	140.3	113.9
	Underlying EBITDA		
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.		
		2022 £m	2021 £m
	Underlying FRE	140.3	113.9
	Underlying EBITDA	(24.2)	(14.3)
	Less: carried interest	(40.7)	(56.9)
	Less: fair value remeasurement of investments	–	5.8
	Add back: investment linked bonuses	75.4	48.5
	Underlying FRE		
Underlying FRE margin	Underlying FRE as a percentage of total operating income excluding carried interest and income from the fair value remeasurement of investments.		
		2022 £m	2021 £m
	Underlying FRE margin	75.4	48.5
	Underlying FRE	307.4	270.6
	Total operating income	(24.2)	(14.3)
	Less carried interest	(40.7)	(56.9)
	Less fair value remeasurement of investments	242.5	199.4
	Adjusted total operating income	31.1%	24.3%
	Underlying FRE margin		
Underlying operating profit	Calculated by excluding exceptional items within EBITDA and the amortisation of intangible assets from operating profit.		
		2022 £m	2021 £m
	Underlying operating profit	118.8	70.3
	Operating profit	3.2	28.6
	Add back: exceptional items within EBITDA	3.0	3.1
	Add back: amortisation of intangible assets	125.0	102.0
	Total underlying operating profit		
Underlying operating profit margin	Underlying operating profit as a percentage of total operating income.		

Alternative performance measures *continued*

Underlying profit before tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before income tax.		
		2022 £m	2021 £m
Underlying profit before tax			
Profit before tax		127.4	62.6
Add back: exceptional items within EBITDA		3.2	28.6
Add back: amortisation of intangible assets		3.0	3.1
Less: exceptional net other income		(13.6)	(3.8)
Total underlying profit before tax		120.0	90.5
Underlying profit before tax margin	Underlying operating profit before tax as a percentage of total operating income.		
Underlying profit after tax	Calculated by excluding exceptional items and the amortisation of intangible assets from profit after tax.		
Underlying profit after tax margin	Underlying operating profit as a percentage of total operating income.		
Non-current assets (excluding third-party CLO assets)	Calculated by excluding third-party consolidated CLO non-current assets from total non-current assets as defined from IFRS, and adding back the investment into CLOs on a non-consolidated basis.		
		2022 £m	2021 £m
Non-current assets (excluding third party CLO assets)			
Total non-current assets		540.0	567.9
Add: investment in CLOs on a non-consolidated basis		45.2	12.3
Non-current assets (excluding third-party CLO assets)		585.2	580.2
Current assets (excluding third-party CLO assets)	Calculated by excluding third-party consolidated CLO current assets from total current assets as defined from IFRS.		
		2022 £m	2021 £m
Current assets (excluding third party CLO assets)			
Total current assets		1,247.8	712.2
Less: consolidated CLO assets		(741.3)	(286.8)
Less: consolidated CLO cash		(24.6)	(4.2)
Current assets (excluding third-party CLO assets)		481.9	421.2
Non-current liabilities (excluding third-party CLO liabilities)	Calculated by excluding third-party consolidated CLO non-current liabilities from total non-current liabilities as defined from IFRS.		
		2022 £m	2021 £m
Non-current liabilities (excluding third party CLO liabilities)			
Total non-current liabilities		757.1	432.3
Less: fair value of consolidated CLO liabilities		(597.5)	(241.4)
Non-current liabilities (excluding third-party CLO liabilities)		159.6	190.9

Current liabilities (excluding third-party CLO liabilities)	Calculated by excluding third-party consolidated CLO current liabilities from total current liabilities as defined from IFRS.		
		2022	2021
		£m	£m
	Current liabilities (excluding third party CLO liabilities)		
	Total current liabilities	258.0	131.5
	Less: consolidated CLO liabilities	(2.6)	(1.5)
	Less: consolidated CLO purchases awaiting settlement	(120.6)	(35.8)
	Current liabilities (excluding third-party CLO liabilities)	134.8	94.2
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.		
		2022	2021
		£m	£m
	Underlying pro forma basic and diluted EPS		
	Profit after tax	120.6	57.8
	Add back: exceptional items within EBITDA	3.2	28.6
	Add back: amortisation of intangible assets	3.0	3.1
	Less: exceptional net other income	(13.6)	(3.8)
	Tax adjusted	0.0	0.0
	Total underlying profit after tax	113.2	85.7
	Pro forma number of shares (m)	823.3	823.3
	Underlying pro forma basic and diluted EPS (£)	0.14	0.10
Fee Paying AUM	Assets under management upon which management fees are charged by the Group, including CLOs. 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.		
Management fee margin on Fee Paying AUM	The underlying management fee rate in the Bridgepoint funds, excluding co-investment vehicles, calculated as the weighted average management fee rate for all Bridgepoint funds contributing to Fee Paying AUM as at the end of the accounting period.		

CFO statement

The Group's strong financial performance in 2022 can be attributed to increased management fees across its private equity and credit strategies, in addition to resilient investment returns.

The Group has consolidated its financial position over its first full financial year since IPO and is well-capitalised at the beginning of 2023, with investments providing opportunity for future uplifts in profitability.

Group financial performance in 2022 was driven by 15.5% growth in Total AUM to reach €38.0 billion and a 21.2% increase in Fee Paying AUM to €23.4 billion at year end.

This increase drove a £43.8 million or 22.2% increase in management and other fees and when combined with operational leverage, which is a feature of our business model, helped us to deliver a 55.5% increase in underlying FRE, and a 6.8% increase in underlying FRE margin to 31.1%.

Underlying profit before tax of £120.0 million was £29.5 million or 32.6% higher than the previous year, primarily driven by the commencement of BE VII from May 2022 and an increase in the amount of invested capital in the Credit business which generated increased management fees. BE VII's launch marks a step change in the income and profitability potential of the business and will be fully reflected once fundraising is completed.

Strong and resilient investment performance delivered £64.9 million of investment income despite volatile and uncertain markets, which in combination with underlying FRE delivered underlying EBITDA of £140.3 million. Reported profit after tax of £120.6 million was £62.8 million or 108.7% higher than the previous year.

The Group is well-capitalised with a net cash position on its balance sheet of £296.0 million (including amounts in term deposits, but excluding cash belonging to consolidated CLOs). The Group holds investments in funds of £318.2 million including Group exposure to investment in CLO loan notes, and carried interest at a discounted value of £42.0 million which provides opportunity for further future profitability and conversion to cash.



Adam Jones
Group Chief Financial Officer
and Chief Operating Officer

Throughout the course of this section reference is made to adjusted measures which the Company considers to be APMs or key 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 to 39 set out definitions of each of the APMs used within the CFO statement and how they can be reconciled back to the financial statements.

**Adam Jones**Group Chief Financial Officer &
Chief Operating Officer

Summary

Financial summary

	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Total AUM (€bn)	38.0	32.9	15.5%
Fee Paying AUM (€bn)*	23.4	19.3	21.2%
Management fee margin on Fee Paying AUM (%)	1.16%	1.18%	-0.2ppt
Management and other fees (£m)	241.5	197.7	22.2%
Investment income (£m)	64.9	71.2	(8.8)%
Total operating income (£m)	307.4	270.6	13.6%
Total expenses (excluding exceptional items) (£m)	(167.1)	(156.7)	6.6%
Underlying EBITDA (£m)	140.3	113.9	23.2%
Underlying EBITDA margin (%)	45.6%	42.1%	+3.5ppt
Underlying FRE (£m)	75.4	48.5	55.5%
Underlying FRE margin (%)	31.1%	24.3%	+6.8ppt
Underlying profit before tax (£m)	120.0	90.5	32.6%
Reported profit before tax (£m)	127.4	62.6	103.5%
Reported profit after tax (£m)	120.6	57.8	108.7%
Reported pro forma basic and diluted EPS (pence)	14.64	7.02	108.7%
Adjusted pro forma basic and diluted EPS (pence)	13.75	10.41	32.1%

* 2021 Fee Paying AUM has been restated to include CLO AUM

Fundraising

Private equity AUM at 31 December 2022 amounted to €26.8 billion.

Bridgepoint Europe VII (“BE VII”) was launched in late 2021. Fundraising continued steadily through 2022 and is expected to conclude in summer 2023. Fundraising is also underway for Bridgepoint Growth II (“BG II”).

Bridgepoint Credit Opportunities IV (“BCO IV”) and Bridgepoint Direct Lending III (“BDL III”) continued fundraising in 2022 and are expected to conclude in the first half of 2023. As a result of these fundraisings, credit AUM ended the year at €11.2 billion.

Total AUM development during the year

€ billion	Private equity	Credit	Total
31 December 2021	22.9	10.0	32.9
Fundraising	4.9	1.1	6.0
Divestments	(3.3)	(0.1)	(3.4)
Revaluations	2.3	0.2	2.5
31 December 2022	26.8	11.2	38.0

Total AUM at 31 December 2022 was €38.0 billion compared to €32.9 billion at the end of the 2021. The 15.5% increase is due to funds raised for BE VII and the impact of revaluations of fund investments.

CFO statement *continued*

Total Fee Paying AUM development during the year

€ billion	Private equity	Credit	Total
31 December 2021	13.7	5.6	19.3
Fundraising / Invested	4.9	3.2	8.1
Divestments	(1.3)	(1.8)	(3.1)
Step down	(0.9)	–	(0.9)
31 December 2022	16.4	7.0	23.4

Fee Paying AUM at 31 December 2022 was €23.4 billion compared to €19.3 billion at the end of 2021 with the 21.2% increase in 2022 primarily due to BE VII becoming fee paying and an increase in invested capital in our credit strategies.

Given the scale of the Group's CLO business, CLO AUM has been included within Fee Paying AUM for 2022, and the comparative figure has been restated for consistency.

Abbreviated income statement

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Management and other fees	241.5	197.7	22.2%
Investment income	64.9	71.2	(8.8)%
Total operating income	307.4	270.6	13.6%
Total expenses	(170.3)	(185.3)	(8.1)%
Total expenses (excluding exceptional expenses)	(167.1)	(156.7)	6.6%
EBITDA	137.1	85.3	60.7%
Underlying EBITDA	140.3	113.9	23.2%
Underlying FRE	75.4	48.5	55.5%
Depreciation	(15.3)	(11.9)	28.6%
Underlying operating profit	125.0	102.0	22.5%
Reported operating profit	118.8	70.3	69.0%
Net other income/(expenses)	8.6	(7.7)	(211.7)%
Net other expenses (excluding exceptional net income)	(5.0)	(11.5)	(56.5)%
Underlying profit before tax	120.0	90.5	32.6%
Reported profit before tax	127.4	62.6	103.5%
Tax	(6.8)	(4.8)	41.7%
Reported profit after tax	120.6	57.8	108.7%

The Group's consolidated income statement has two key components: the first is the income generated from management and other 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. Profits from co-investment and carried interest together with FRE form the EBITDA of the business.

Exceptional items are items of income or expense that are material by size or nature and are not considered to be incurred in the normal course of business. Exceptional items are classified as "exceptional" within the Group Consolidated Statement of Profit or Loss are disclosed separately to give a clearer presentation of the Group's results. In the year ended 31 December 2022, exceptional expenses were recognised relating to the personnel costs in relation to the acquisition of the EQT Credit business and costs incurred in relation to potential acquisitions. In the year ended 31 December 2021, exceptional expenses were recorded relating to the Group's IPO and costs relating to the acquisition of the EQT Credit business.

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 non-operating other income and expenses which have also been classified as exceptional. These relate to the acquisition of EQT Credit. Further explanation of these items is included within note 8 of the financial statements (see page 162).

Total operating income

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Management and other fees	241.5	197.7	22.2%
Carried interest	24.2	14.3	69.2%
Fair value remeasurement of investments	40.7	56.9	(28.5)%
Other operating income	1.0	1.7	(41.2)%
Total operating income	307.4	270.6	13.6%

Total operating income grew strongly, increasing by 13.6% from £270.6 million in 2021 to £307.4 million in 2022 reflecting an increase in management and other fees and carried interest, partially offset by reduced income from the fair value remeasurement of investments.

Management and other fees increased by £43.8 million, or 22.2%, from £197.7 million for the year ended 31 December 2021 to £241.5 million for the year ended 31 December 2022, and was attributable to the below reporting segments in the year.

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Private equity	187.8	157.3	19.4%
Credit	50.8	37.9	34.0%
Central	2.9	2.5	16.0%
Management and other fees	241.5	197.7	22.2%

The increase was primarily due to the start of fees from BE VII, which commenced charging management fees from 11 May 2022, and a full year of fees on increased levels of invested capital in BDL III and BCO IV in the Credit business. These increases are partially offset by reduced fees on older funds which are in their divestment phase, where fees are based upon the remaining invested capital and reduce when investments are sold.

Income from the Group's share of carried interest income of £24.2 million in 2022 was driven by the Bridgepoint Europe IV ("BE IV"), 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 decreased by 28.5% from £56.9 million in 2021 to £40.7 million in 2022, where valuation increases across the private equity fund range, but particularly within the BE V and BE VI portfolios, were not as significant as the growth experienced in 2021.

Other operating income includes fees and commissions receivable by the Group's procurement consulting business, PEPCO Services LLP.

Operating expenses

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Personnel expenses	(125.8)	(121.4)	3.6%
Other operating expenses	(42.4)	(36.4)	16.5%
Foreign exchange gains	1.1	1.1	0.0%
Total expenses before exceptional expenses	(167.1)	(156.7)	6.6%
Exceptional expenses	(3.2)	(28.6)	(88.8)%
Total expenses	(170.3)	(185.3)	(8.1)%

Personnel expenses (excluding exceptional expenses) increased by 3.6%, from £121.4 million in 2021 to £125.8 million in 2022, reflecting the full year impact of investment in the Group's operating platform post IPO.

Personnel expenses (excluding exceptional expenses) as a percentage of total operating income was 40.9% for the year ended 31 December 2022, compared to 44.9% for the year ended 31 December 2021 which included £5.8 million of investment linked bonuses incurred in 2021. The improvement in the ratio in 2022 compared to 2021 was due to operating leverage.

CFO statement *continued*

Other operating expenses (excluding exceptional expenses) as a percentage of total operating income remained broadly consistent at 13.8% for the year ended 31 December 2022, compared to 13.5% for the year ended 31 December 2021. Other operating expenses (excluding exceptional expenses) increased by 16.5%, from £36.4 million in 2021 to £42.4 million in 2022 due to the operating costs on the Group's new London headquarters, 5 Marble Arch, higher professional fees including amounts paid in relation to the expansion of the Group's regulatory footprint, fundraising costs associated with BE VII and a reversion to normal levels of travel costs following the relaxation of pandemic travel restrictions.

EBITDA

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Underlying EBITDA	140.3	113.9	23.2%
Exceptional expenses within EBITDA	(3.2)	(28.6)	(88.8)%
EBITDA	137.1	85.3	60.7%

Underlying EBITDA increased strongly by 23.2% from £113.9 million in 2021 to £140.3 million in 2022, 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 13.6% representing more than double the growth in total expenses, excluding exceptional expenses, of 6.6%.

Exceptional expenses of £3.2 million in 2022 included employee costs of £1.1 million relating to the acquisition of EQT Credit in 2020, and £2.1 million of costs incurred in relation to potential acquisitions.

EBITDA, including exceptional expenses, increased by 60.7% as the increase in Underlying EBITDA is supplemented by the reduction in exceptional expenses.

Depreciation and amortisation expense

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Depreciation	(15.3)	(11.9)	28.6%
Amortisation of intangibles	(3.0)	(3.1)	(3.2)%
Total depreciation and amortisation expense	(18.3)	(15.0)	22.0%

Depreciation and amortisation expense increased by 22.0% from £15.0 million in 2021 to £18.3 million in 2022. This increase was primarily due to the first full year of the lease of the Group's new London headquarters which commenced in July 2021.

The amortisation of intangibles acquired with the EQT Credit business (fund customer relationships) of £3.1 million and £3.0 million have been excluded from the adjusted profitability measures in 2021 and 2022 respectively in order to enable a clearer analysis of underlying profitability.

Total operating profit

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Underlying operating profit	125.0	102.0	22.5%
Exceptional expenses within EBITDA	(3.2)	(28.6)	(88.8)%
Amortisation of intangibles	(3.0)	(3.1)	(3.2)%
Reported operating profit	118.8	70.3	69.0%
Underlying operating profit margin	40.7%	37.7%	+3.0ppt

Underlying operating profit increased by 22.5% or £23.0 million from £102.0 million in 2021 to a profit of £125.0 million in 2022, reflecting the £26.4 million increase in underlying EBITDA.

Reported operating profit increased by 69.0% per cent from £70.3 million in 2021 to £118.8 million in 2022.

The underlying operating profit margin increased from 37.7% for the year ended 31 December 2021 to 40.7% for the year ended 31 December 2022. This increase was due to operating leverage.

Other income and expenses

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Net other expenses, excluding exceptional items	(5.0)	(11.5)	(56.5)%
Exceptional net other income	13.6	3.8	257.9%
Net other income/(expense), including exceptional items	8.6	(7.7)	(211.7)%

Net other expenses, excluding exceptional items, decreased by £6.5 million to £5.0 million, compared to a net expense of £11.5 million for the year ended 31 December 2021. This movement was primarily due to:

- increased interest income from cash on deposit;
- a decrease in amounts payable to investors who have a 15% interest in the profits of the BE V co-investment vehicle; and
- no interest expense from borrowings in 2022 compared to £3.1 million in 2021.

Exceptional net other income primarily includes the reduction in the estimated deferred contingent consideration payable to EQT AB for the acquisition of the EQT Credit business, which is determined by the outcome of certain fundraising that falls within the definitions in the transaction documents (rather than total fundraising). Further explanation is included within note 17 (b) of the financial statements (see page 172). The income is partially offset by the unwind of the discount on the corresponding payable.

Profit before tax

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Underlying profit before tax	120.0	90.5	32.6%
Exceptional expenses	(3.2)	(28.6)	(88.8)%
Exceptional net finance income	13.6	3.8	257.9%
Amortisation of intangible assets	(3.0)	(3.1)	(3.2)%
Reported profit before tax	127.4	62.6	103.5%
Underlying profit before tax margin	39.0%	33.4%	+5.6ppt

Underlying profit before tax increased by 32.6% from £90.5 million in 2021 to £120.0 million in 2022.

Reported profit before tax increased by 103.5% from £62.6 million in 2021 to £127.4 million in 2022, reflecting increased underlying operating profit.

The underlying profit before tax margin increased from 33.4% for the year ended 31 December 2021 to 39.0% for the year ended 31 December 2022.

CFO statement *continued*

Tax

£ million	Year ended 31 December 2022	Year ended 31 December 2021	Change (%)
Tax	(6.8)	(4.8)	41.7%

The tax charge increased from £4.8 million in 2021 to £6.8 million in 2022. This was primarily due to movements in deferred tax liabilities.

The effective tax rate for the year ended 31 December 2022 was 5.4% compared to 7.7% for the year ended 31 December 2021.

As detailed in note 11 to the financial statements (see page 164), 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 2022	Year ended 31 December 2021	Change (%)
Profit after tax	120.6	57.8	108.7%

Profit after tax increased by 108.7% from £57.8 million in 2021 to £120.6 million in 2022 which, after allowing for the £64.8m increase in reported profit before tax, reflecting the higher tax charge in 2022.

Earnings per share and dividend per share

£ pence	Year ended 31 December 2022	Year ended 31 December 2021	Change (£ pence)
Reported pro forma earnings per share	14.64	7.02	7.62
Adjusted pro forma earnings per share	13.75	10.41	3.34
Pro forma interim dividend per share	4.00	3.64	0.37
Final dividend per share	4.00	3.64	0.36

Adjusted earnings per share grew by 3.34 pence per share, reflecting the increase in profit after tax.

An interim dividend of £32.8 million, or 4.00 pence per share was paid on 29 September 2022.

The Directors are proposing a final dividend of 4.00 pence per share in respect of the second half of 2022.

Consolidated balance sheet

Summarised consolidated balance sheet (statutory basis) £ million	As at 31 December 2022	As at 31 December 2021	Change (%)
Assets			
Non-current assets	540.0	567.9	(4.9)%
Current assets	1,247.8	712.2	75.2%
Total Assets	1,787.8	1,280.1	39.7%
Liabilities			
Non-current liabilities	757.1	432.3	75.1%
Current liabilities	258.0	131.5	96.2%
Total Liabilities	1,015.1	563.8	80.0%
Net Assets	772.7	716.3	7.9%
Equity			
Share capital and premium	289.9	289.9	0.0%
Other reserves	9.1	13.8	(34.1)%
Retained earnings	473.7	412.6	14.8%
Total Equity	772.7	716.3	7.9%

Net assets principally comprise cash and term deposits, 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.

Non-current assets decreased by 4.9% from £567.9 million at 31 December 2021 to £540.0 million at 31 December 2022 predominantly due the sale of the Group’s holding in the Bridgepoint Credit II (“BC II”), partially offset by the purchase of new property, plant and equipment related to 5 Marble Arch. Current assets increased by 75.2% from £712.2 million at 31 December 2021 to £1,247.8 million at 31 December 2022 primarily due to deferred proceeds from the sale of BC II and the increased level of current assets held by consolidated CLOs.

At 31 December 2022, the Group had cash of £296.0 million (including amounts in term deposits, but excluding cash belonging to consolidated CLOs).

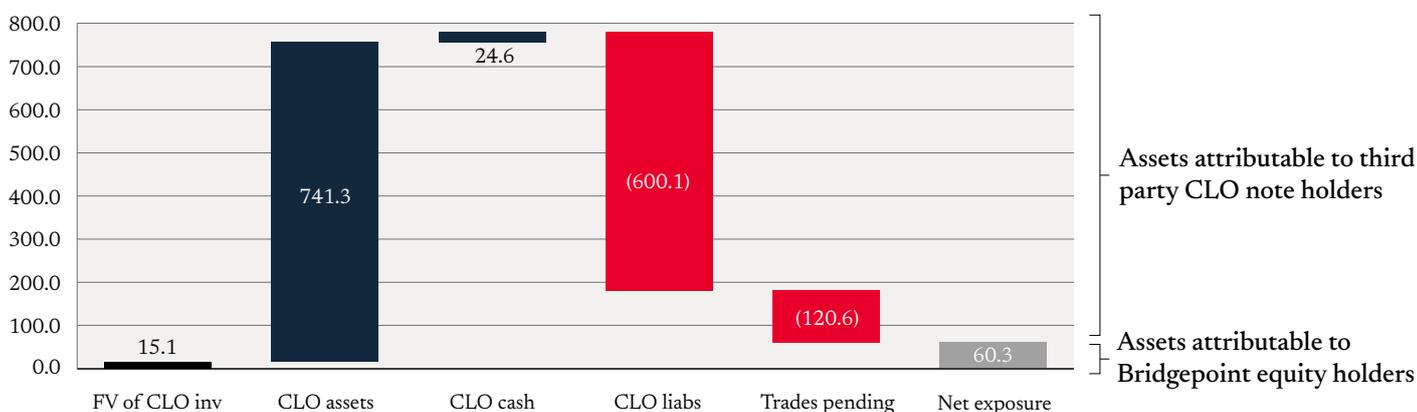
Total liabilities increased by 80.0% from £563.8 million at 31 December 2021 to £1,015.1 million at 31 December 2022. Non-current liabilities increased from £432.3 million at 31 December 2021 to £757.1 million at 31 December 2022, primarily due to an increased level of liabilities owed by consolidated CLOs. Current liabilities increased by 96.2% from £131.5 million at 31 December 2021 to £258.0 million at 31 December 2022. Excluding the impact of consolidated CLOs, non-current liabilities decreased by 16.4% as the deferred consideration payable for the Group’s credit business moved from non-current to current liabilities during the year.

Total equity benefitted from 2022 profits with offsets for dividends paid and a decrease in other reserves due to movements in fair value of hedging instruments partially offset by foreign exchange movements. These resulted in total equity of £772.7 million at 31 December 2022 up from £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 2022 was £60.3 million (2021: £50.3 million).

The graph below shows a reconciliation of the CLO related assets and liabilities within the consolidated balance sheet to the Group’s exposure.



In addition, a summarised consolidated balance sheet on a non-statutory basis, excluding third-party CLO assets and liabilities, is included below.

CFO statement *continued*

Summarised consolidated balance sheet (excluding third party CLO assets and liabilities, non-statutory) ¹ £ million	As at 31 December 2022	As at 31 December 2021	Change (%)
Assets			
Non-current assets	585.2	580.2	0.9%
Current assets	481.9	421.2	14.4%
Total Assets (excluding third-party CLO assets)	1,067.1	1,001.4	6.6%
Liabilities			
Non-current liabilities	159.6	190.9	(16.4)%
Current liabilities	134.8	94.2	43.1%
Total Liabilities (excluding third-party CLO liabilities)	294.4	285.1	3.3%
Net Assets (excluding third-party CLO assets and liabilities)	772.7	716.3	7.9%

¹A full non-statutory consolidated balance sheet excluding third-party CLO assets and liabilities (unaudited) is included on page 202.

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 2022	As at 31 December 2021	Change (%)
Bank borrowings	–	–	0.0%
Cash and cash equivalents (excluding CLO cash)	196.0	323.1	(39.3)%
Term deposits with original maturities of more than three months	100.0	–	N/A
Net cash (excluding consolidated CLOs)	296.0	323.1	(8.4)%

At 31 December 2022, the Group had net cash of £296.0 million compared with net cash of £323.1 million at 31 December 2021.

At 31 December 2022, the Group had no debt, but still has in place the £125 million revolving credit facility, which remains available for drawing until October 2023 and is currently in the process of being extended for a further three years.

As at 31 December 2022, in addition to the liabilities shown on the balance sheet, the Group had approximately £255.3 million and £34.4 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 2022	(Restated) Year ended 31 December 2021	Change (%)
Net cash flows from operating activities	33.9	4.7	621.3%
Net cash flows from investing activities	(57.3)	(191.1)	(70.0)%
Net cash flows from financing activities	(86.6)	365.1	(123.7)%
Net (decrease)/increase in cash and cash equivalents	(110.0)	178.7	(161.6)%
Total cash and cash equivalents at beginning of the year	327.3	157.1	108.3%
Effect of exchange rate changes	3.3	(8.5)	(138.8)%
Total cash and cash equivalents at the end of the year	220.6	327.3	(32.6)%
of which: cash and cash equivalents at the end of the year (for use within the Group)	196.0	323.1	(39.3)%
of which: CLO cash (restricted for use within relevant CLO)	24.6	4.2	485.7%
Total cash and cash equivalents at the end of the year	220.6	327.3	(32.6)%

Net cash flows from operating activities for the year ended 31 December 2022 was £33.9 million. The increase of £29.2 million in the net cash flows from operating activities compared to the year ended 31 December 2021 was due to the conversion of FRE, offset by fees which could not yet be invoiced and other adverse movements in the Group's working capital.

Net cash flows from investing activities, including carried interest and investment income proceeds, is driven by the timing of investments and divestments by the underlying Bridgepoint funds. Receipts from investments into the Bridgepoint funds of £74.3 million in 2022 were partially offset by investment into the funds of £41.2 million. For the year ended 31 December 2022 cash outflows from investing activities of £57.3 million also includes investments in term deposits with original maturities of more than three months and purchases of property, plant and equipment related to the Group's new London headquarters.

Net cash flows from financing activities for the year ended 31 December 2022 of £86.6 million primarily related to dividends paid during the year, as well as payments for office leases and repayments of consolidated CLO borrowings.

In addition, at 31 December 2022 the Group had £24.6 million recorded on the balance sheet as consolidated 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 31 December 2022 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) ¹ £ million	Year ended 31 December 2022	(Restated) Year ended 31 December 2021	Change (%)
Net cash flows from operating activities (excluding consolidated CLOs)	33.9	4.7	621.3%
Net cash flows from investing activities (excluding consolidated CLOs)	(93.7)	(20.8)	350.5%
Net cash flows from financing activities (excluding consolidated CLOs)	(69.6)	301.1	(123.1)%
Net increase in cash and cash equivalents (excluding consolidated CLOs)	(129.4)	285.0	(145.4)%
Cash and cash equivalents at beginning of the year (excluding consolidated CLOs)	323.1	42.3	663.8%
Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs)	2.3	(4.2)	(154.8)%
Cash and cash equivalents at the end of the year (excluding consolidated CLOs)	196.0	323.1	(39.3)%
Add back: investment in term deposits with original maturities of more than three months	100.0	-	N/A
Net cash at the end of the year (excluding consolidated CLOs)	296.0	323.1	(8.4)%

¹A full non-statutory consolidated cash flow statement excluding third-party CLO assets and liabilities (unaudited) is included on page 203.

Guidance

- Fundraising: Good momentum on BE VII into 2023
- Investment income: Expected to represent around 20% of total revenue in 2023 and 2024
- Cost growth: Expect continued inflationary pressures on costs in the near term and more modest growth in headcount and personnel costs over medium term
 - Actual cost growth in 2022 at 7% was slightly below high single digit guidance despite inflationary pressures being evident
 - This reflects deliberate phasing of investment team hires in light of macro environment
- FRE margin: Longer term guidance remains 45% - 50% at the conclusion of the BDC V and BE VIII fundraises
 - Short term guidance remains unchanged at 30% - 35%
 - 2024 expected to be slightly below the bottom of the short-term guidance, reflecting the usual margin profile of a PE cycle where continued successful divestments in 2023 and 2024 will, as expected, reduce fees recognised on invested capital ahead of BDC V generating fees from January 2025
- Tax: Subject to any changes in the UK tax code, expect our effective tax rate to remain unchanged in the 5% - 10% range

Our historical performance

	2018	2019	2020	2021	2022
AUM (€bn)	19.7	19.3	26.6	32.9	38.0
Fee Paying AUM (€bn)	12.7	12.7	16.3	19.3	23.4
Management fee margin on Fee Paying AUM (%)	1.23%	1.25%	1.19%	1.18%	1.16%
Management and other fees (£m)	117.4	143.9	148.6	197.7	241.5
Investment income (£m)	25.6	24.0	42.3	71.2	64.9
Total operating income (£m)	144.8	169.8	191.8	270.6	307.4
Total expenses (excluding exceptional items) (£m)	101.5	116.7	125.4	156.7	167.1
EBITDA (£m)	19.2	53.1	58.7	85.3	137.1
Underlying EBITDA (£m)	43.3	53.1	66.4	113.9	140.3
Underlying EBITDA margin (%)	29.9%	31.3%	34.6%	42.1%	45.6%
Underlying FRE (£m)	17.7	29.1	24.9	48.5	75.4
Underlying FRE margin (%)	14.8%	20.1%	16.7%	24.3%	31.1%
Underlying profit before tax (£m)	36.6	47.5	52.6	90.5	120.0
Profit before tax (£m)	12.6	47.5	48.5	62.6	127.4
Reported proforma basic and diluted EPS (p)	0.37	5.09	5.79	7.02	14.64
Adjusted proforma basic and diluted EPS (p)	3.30	5.09	6.29	10.41	13.75
Permanent headcount (at year end)	228	260	310	344	377

An explanation of the alternative performance measures 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 39 along with a reconciliation to the nearest statutory measures.

Viability and going concern statements

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

- A large proportion of revenue (76% in 2022) is made up of income from long-term fund management contracts
- Significant majority (86%) of management fees in 2023 to 2025 from funds already raised or in fundraising progress
- 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, with net cash of £296 million (including £100 million of term deposits with original maturities of more than three months), no borrowings and an undrawn £125 million 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 2025 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 27, 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; and
- future acquisition of business, which expands investment strategies and strengthens performance.

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 80 to 83.

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 underperformance – prolonged 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 challenges – 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.

Viability and going concern statements *continued*

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 under-performance
Scenario 2: Delay or no new fundraising Assumptions: No further fundraising	- Fundraising challenges
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 the Group's dividends;
- 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 a 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.

In addition to the stress scenarios referenced above, the impact of continued high levels of cost inflation was quantified and considered alongside the results of the tests applied. The Directors determined that such a scenario would not change their conclusions on the viability of the Group.

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 from the signing of the financial statements.

Assessment of going concern

In carrying out their going concern assessment, 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 Group's risk appetite and approach to managing risk; and
- A summary of the current financial position and resources of the Group.

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 2022	Year ended 31 December 2021
Underlying FRE (£m)	75.4	48.5
Management and other fees as % of total operating income (%)	78.6%	73.1%
Underlying FRE margin (%)	31.1%	24.3%
Personnel expenses as % of expenses (excluding exceptional costs) (%)	75.3%	77.5%

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, the timing and level of returns from funds and changes in the cost base from hiring and inflation.

Liquidity and resources

As at 31 December 2022, the Group had a strong balance sheet with net cash of £296 million, including £100 million of term deposits with original maturities of over three months (2021: net cash of £323 million), no borrowings and an undrawn £125 million banking facility.

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

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 December 2022. After making their assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company and the Group on a going concern basis for at least 12 months from the date of the approval of the financial statements.

How we approach ESG

A wide-angle photograph of a deep, narrow canyon. The canyon walls are composed of dark, layered rock formations, heavily covered in vibrant green moss and lichen. A river flows through the center of the canyon, its water appearing dark and slightly turbulent as it moves downstream. The sky above is overcast and grey, providing a soft, diffused light to the scene. The overall atmosphere is rugged and natural.

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, whether via international expansion, operational improvement or acquisitions, or via a combination of these.

But that's not all we look for. The millions of 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 impact

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

1. **We believe we must invest in our world and its environment.**
 - Environmental action is ushering in a new era of innovation, efficiency, and sustainable growth. Climate change represents an investment risk and an opportunity to develop solutions.
2. **We believe in the power of the individual in creating diverse teams.**
 - 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.

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 United Nations Sustainable Development Goals ("UN SDGs").
- 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 strong governance are headline ambitions. We have the structures, policies, and people in place to deliver these ambitions and support our broader beliefs as we believe that 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.

- In 2021, we partnered with ACT Commodities, a Bridgepoint portfolio company and leading supplier of market-based environmental solutions, to purchase renewable electricity for eight offices, with the remaining four¹ already operating on renewable electricity tariffs, meaning that Bridgepoint offices globally have been operating on 100% renewable electricity since 2020.

1. Until October 2022, we occupied three offices in London, which means we had 12 offices across 10 locations. In October 2022, all London colleagues moved to a new office.

How we approach ESG *continued*

- Carbon neutrality – we became carbon-neutral in 2021, offsetting the greenhouse gas emissions associated with our operations since 2020, and are now accelerating our plan to reduce emissions and support our portfolio companies to do the same.
- In September 2022, Bridgepoint’s London colleagues moved into a new office which has an overall building BREEAM1 Excellent rating, with Bridgepoint floors pending an Outstanding rating, which contributes to our Group carbon reduction plan.
- Increasing gender diversity – we met an initial target of 25% female representation in investment teams in 2019 and have since raised this target to 40%.

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.

The recently constituted Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company’s strategic and financial planning. It will oversee the implementation of the Group’s ESG policies and also monitor ESG performance and risk indicators across the Group and its investment portfolio. Non-Executive Director Angeles Garcia-Poveda recently joined the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, which aims to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in this initiative will help ensure that the Board stays up to date on industry best practices.

ESG team

In 2022, our ESG team grew from a team of two to a team of five across our private equity and credit strategies, including the arrival of a new Head of Sustainability, Carole Brozyna. Since these additions to the team, the priority has been to focus on risk and compliance management and on how to build sustainable value creation throughout the investment process. In January 2023, the Head of Sustainability presented the team’s progress and areas of focus in the coming year to the Executive Committee.

Training

All of our private equity 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 with respect to 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 10-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%. Progress has been driven by a gender-balanced recruitment policy through our International Associate Programme, targeting a 50:50 gender split. We work hard to support our female talent through programmes that give them access to senior role models and experienced mentors as well as peer support.

Although gender remains our primary focus, we believe that all forms of diversity improve our performance and have widened our efforts to include other forms of diversity. In 2022, our Paris office added disability to its DE&I focus, and in London we continued our efforts on ethnic and social background diversity, participating in the 10,000 Black Interns programme which aims to address the under-representation of Black talent in the financial sector and running an insights week where we welcomed 59 participants aged between 16 and 21 from all backgrounds to learn more about our industry. In the US, we participate in Girls Who Invest and place a strong emphasis on hiring female interns.

Our DE&I initiatives are wide-ranging and include:

- Women’s Mutual Mentoring Programme;
- Women’s Role Model Dinner Series;
- networking events for female portfolio company professionals (Paris office initiative);
- parental coaching; and
- formal DE&I or ESG objectives for all colleagues.

1. Building Research Establishment Environmental Assessment Method (“BREEAM”).

Bridgepoint creates lasting, sustainable positive impact

The Environment

Tackling climate change through our investments by both reducing risk and impact and developing solutions and opportunities

Society

Growing businesses benefit their communities
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 private equity investment process

1 2 3 4



Before, during, after

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 strategies of our portfolio companies, we set them up for sustainable success both during and after the investment period.

1 Pre-investment

First and foremost, we do not invest in companies whose products, services or practices cause environmental or social harm, and those without a path to transform into a positive contributor to society.

When we first consider a potential investment, our team will identify any potential ESG red flags and opportunities as part of our early transaction screening. As an example, in Bridgpoint Europe, we have an exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on ESG grounds at this or any later stage. We are currently in the process of applying this to our other investment strategies across the private equity business.

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 ESG due diligence and any recommended remedial actions form a key part of the analysis presented to the relevant Bridgpoint Investment Advisory Committee.

We align all investment decisions in support of achieving long-term value creation. We assess:

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

1 2 3 4



2 Directly post-investment

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

Following completion, as part of a value creation 100-day plan, the investment team will work with management to appoint a Board member responsible for ESG matters and to nominate an individual to take responsibility for ESG on a day-to-day basis if such a person has not already been nominated. It is mandatory for all Bridgepoint portfolio companies to appoint a Board member responsible for ESG matters within six months of entry to the portfolio and is now one of our Sustainable Financial Disclosure Regulation (“SFDR”) Article 8 objectives.

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.

In 2022, Bridgepoint’s ESG team piloted a new ESG Onboarding Survey for newly acquired portfolio companies to complete, which allows the team to identify opportunities for improvement and sustainable value creation. 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 key performance indicators (“KPIs”).



1 2 3 4



3

During the investment period

Throughout the fund investment period, we ensure management teams regularly review their ESG policies, ensuring they remain aligned with Bridgpoint’s expected standards and industry-specific good practice.

Bridgpoint provides guidance and support to management teams via the Bridgpoint Board representative and/or Bridgpoint’s dedicated ESG team. External ESG advisers may also be engaged to provide specific areas of expertise.

In 2022, the ESG team hosted global webinars to communicate Bridgpoint’s expectations and processes to portfolio companies more effectively. In Q3 2022, the team hosted an educational webinar, in partnership with leading ESG experts, to commence a global compliance programme. The purpose of the programme was to support portfolio companies improve six core compliance policies (anti-bribery and corruption, anti-money laundering, cyber security, human rights and modern slavery, health and safety, and whistleblowing) through the provision of a set of global guidance documents.

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 KPIs. From our 2022 ESG portfolio company reporting campaign, we found that 83% of our portfolio companies are monitoring ESG KPIs, and 71% of those report these KPIs to either their Board or Executive Committee. We understand the importance of collecting and reporting reliable data, and that is why we refined and updated our annual portfolio company survey and hosted a portfolio-wide webinar in late 2022 to kick-off our 2022 reporting campaign. At the industry level, we are actively engaged in driving greater consistency in performance monitoring, for example, via our position as a Steering Committee member of the ESG Data Convergence Initiative (“EDCI”).

We aim to create value for our investors by embedding ESG practices at our portfolio companies. Please see the Element case study on page 62 for details on this.

1 2 3 4



4 At divestment

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

We aim to ensure that, like for the Bridgepoint Group, ESG becomes a key part of our portfolio companies' operations.

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.



ESG in practice

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

Element Materials Technology

Sector: Business Services

Element, a leading provider of lab-based testing services globally, was exited by Bridgepoint in early 2022 for \$7 billion. The company has a well-developed sustainability programme and strategy which was a contributing factor to exit discussions and the successful exit multiple achieved.

Element has positioned itself as the partner of choice for many customers facing new challenges in delivering their own sustainability and ESG agendas. Element’s core end markets include Connected Technologies and Life Sciences, as well as Aerospace, Energy and Automotive. The Automotive sector is facing significant sustainability challenges, such as decarbonisation and transitioning to renewable energy, where Element is able to provide direct support. By exit, 60% or over \$650 million of sales were directly attributable to supporting customers’ ESG agendas.

Furthermore, Element received a Sustainalytics rating placing it in the top 1.5% of all companies assessed globally based on the company’s exposure and management of ESG risks. This result shows that Element is not only a leader within its industry but across all industries globally.



By exit, over

\$650 million

(60%) of sales were ESG-related

In the top

1.5%

of all companies assessed by Sustainalytics

A track record of industry leadership

2007

Founding member and contributor to Walker Guidelines for Disclosure and Transparency

2013

Became a UN PRI signatory
Published our first Responsible Investment Policy

2016

ESG incorporated into our governance with the inaugural executive ESG Committee meeting
BVCA training on responsible investment rolled out to all investment team members

2009

Launched the Bridgepoint Charitable Trust

2014

ESG topics become embedded in investment decision-making

2017

ESG team launched

Humanetics



Sector: Advanced Industrials

For over 70 years, Humanetics has been a pioneer in crash test dummies, safety systems, simulation software, and sensor technologies designed to save lives. Humanetics is leading the charge in addressing gender bias in car safety which has made women, 51% of the driving population, 73% more likely to be severely injured and 17% more likely to die in a serious accident.

Together with US regulators, Humanetics developed advanced biofidelic crash test dummies of women, children, the elderly, and people of various weights and heights to fill the gap in conventional safety protocols.

Bridgepoint and Humanetics have partnered with industry groups striving for equity in vehicle safety by educating on and advocating for crash testing standards that protect everybody.

Humanetics is also committed to the health and safety of its own employees. In November 2021, the Michigan Occupational Safety and Health Administration granted an award to Humanetics for exemplary health and safety commitment to employees. The Consultation, Education and Training Silver Award was presented to the company for maintaining an exemplary health and safety record with no lost time accidents, whilst demonstrating a strong commitment to a safety culture.

Achilles

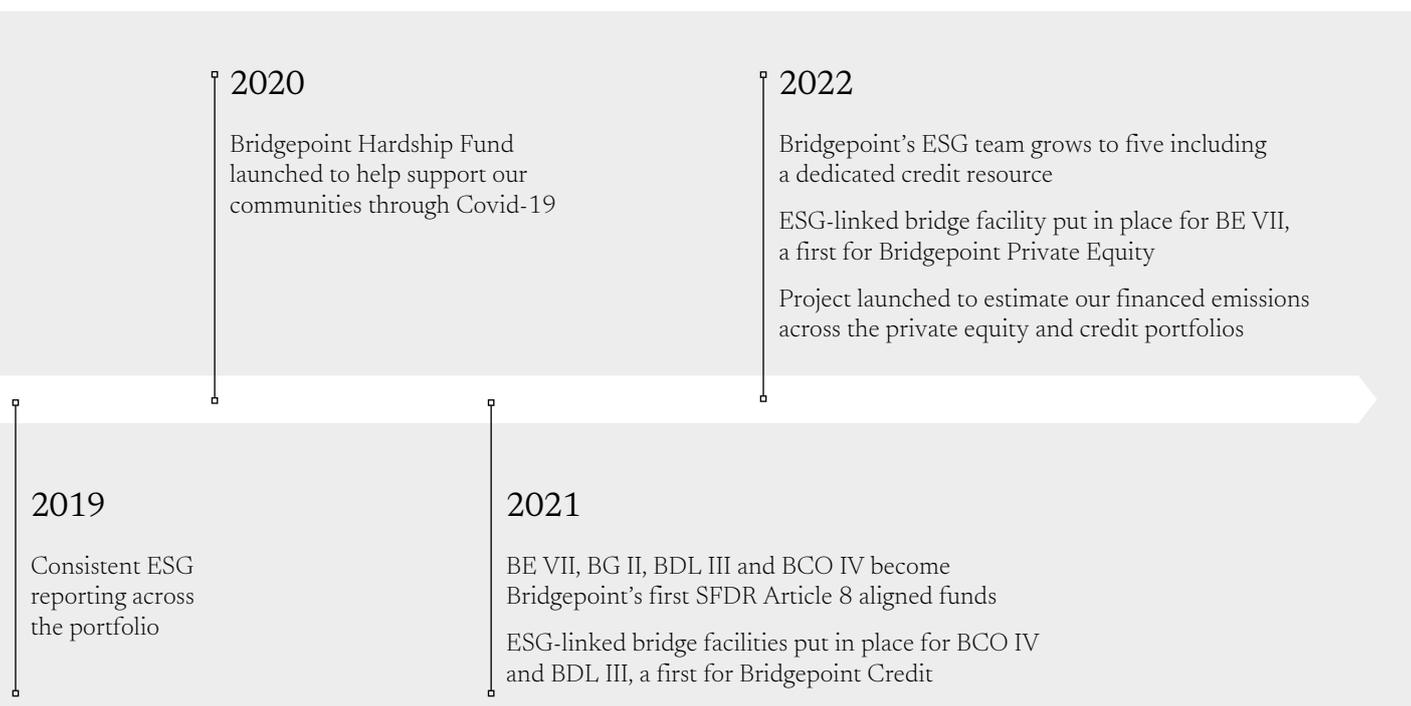


Sector: Business Services

Achilles supports companies and industry communities to achieve their sustainability obligations using its supply chain risk management solution to validate the provenance of their suppliers. Working from offices in 17 countries, Achilles validates 54,000 suppliers in energy, mining, construction, logistics, manufacturing, and retail, ensuring they meet local and global regulations to protect the environment, health and safety, and human rights of employees. Achilles auditors visit over 6,000 client sites annually.

Achilles leads by example, having received for the second year a Brighter Futures Award for Climate Action, achieving an 80% annual reduction in all scopes of tCO₂e emissions. Achilles holds ISO 14064-1¹ certification globally for greenhouse gas emissions with quantitative uncertainty at less than 3%. Achilles has established an Ethical Working Business Group to promote collaboration in tackling unethical employment practices and is a member of the Alliance Against Exploitation in UK construction.

1. ISO 14064 consists of three parts, each with a different technical focus. Part 1 of the standard relates to “Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals”.



ESG in the credit investment process

Lending weight

Bridgepoint Credit invests across the capital structure and risk-reward spectrum through its three complementary strategies of Syndicated Debt, Direct Lending and Credit Opportunities.

ESG lies at the core of these credit strategies.

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.

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.

However, whether in respect of credit opportunities or direct lending, steps can be taken to ensure ESG plays a key role in the portfolio, through:

Pre-investment screening

We look to invest in businesses that contribute to the UN SDGs. As a result, the credit team regularly rejects investment opportunities that either carry ESG risk or operate in harmful industries. When we first consider a potential investment the screening process includes the use of an exclusion list, highlighting the harmful sectors and activities that we will not support. 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.

Bridgepoint Credit evaluates potential investee companies on two primary criteria:

- **ESG Solutions:** Assessing if and how a company and the industry in which it operates in fulfils ESG goals using the framework of the UN SDGs.
- **ESG Practices:** Assessing the environmental, social and governance processes implemented within each company, evaluated based on Bridgepoint Credit's proprietary ESG survey that is completed by the company and/or its shareholders.

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. These specific ESG targets vary for each company, based on topics relevant to the business. Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles and may include carbon reduction, waste reduction, increasing employee diversity, and improving performance within third-party sustainability assessments.

Monitoring

Bridgepoint Credit monitors the ESG strategy progress of its portfolio companies through requested updates on the previously completed ESG surveys from portfolio companies and shareholders every year. This allows us to assess ESG performance on an ongoing basis and use this survey as a platform for engagement with the portfolio.

The long-term goal is to make the assessment of climate impact a core part of our credit analysis. The challenge is to obtain data from companies that do not often measure their own climate impact. In 2022, Bridgepoint Credit partnered with a leading global carbon accounting platform to assess the carbon footprints of BDL III and BCO IV portfolio companies. Please see TCFD Metrics and targets for more information.

ESG industry associations

Bridgepoint drives positive change in the investment industry.

We publicly advocate for 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 (“UN PRI”) 10 years ago, in 2013. Please see the next page for our latest UN PRI score.

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

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

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

France Invest – Bridgepoint is a member of France Invest, a professional organisation bringing together nearly 400 French management companies and nearly 180 advisory firms.

Diversity, Equity and Inclusion (“DE&I”) initiatives

Level 20 – A not-for-profit organisation which promotes gender equality and diversity in private equity. Bridgepoint’s co-head of UK investment activities, Emma Watford (Partner and co-chair of the DE&I Committee), sits on Level 20’s Advisory Committee.

France Invest - Bridgepoint’s Head of Southern Europe, Frédéric Pescatori (Partner and co-chair of the DE&I Committee), co-heads the Talent & Diversity Commission of France Invest, which promotes industry-wide efforts to increase diversity within investment firms. Other members of the Paris investment team are also active within the Commission, including Anne-Sophie Moinade, who co-led the publication of France Invest’s rulebook to promote social diversity at industry level.

ILPA’s Diversity in Action – Bridgepoint is a signatory to the Institutional Limited Partners Association’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 underrepresentation 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, 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.

ESG Data Convergence Initiative (“EDCI”) – We are a founding and Steering Committee member of the EDCI 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 a 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 Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.

ESG performance

UN PRI 2021 score published in 2022

We are pleased to have received the top rating in all three modules of our PRI assessment. This achievement recognises Bridgepoint’s effort and commitments to being a leader in corporate responsibility, and to integrating environmental, social, and governance principles into the full lifecycle of our investments.

Module	Bridgepoint	Median
Investment & Stewardship Policy	97 / 100 	60 / 100 
Direct – Fixed income – Private debt	97 / 100 	67 / 100 
Direct – Private equity	95 / 100 	66 / 100 

Sustainalytics

For the first time, we received a Sustainalytics score in 2022, which put us in the top 15th percentile in our sub-industry (Asset Management and Custody Services) and 35th percentile in all companies scored globally. We are pleased with this score, that puts us in the medium-risk category, just short of achieving a low-risk score. However, we believe that we can do better in the future and earn a score that reflects our ESG programme and progress to date.

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 early stages of this journey and the following disclosure details our second response in line with the Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations.

This section summarises 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 to be limited, we are working on reducing our carbon footprint through the implementation of office emission reduction initiatives, supplemented by verified carbon credits. We are also focused on reducing our 'financed emissions' by supporting our portfolio companies in developing carbon reduction roadmaps and accompanying actions.

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

Compliance statement

In accordance with the requirements of Listing Rule 9.8.6(8), Bridgepoint Group Plc has included climate-related financial disclosures consistent with the TCFD recommendations within this Annual Report. At the time of the publication, the Company is fully compliant with the following disclosures:

- Governance (all recommended disclosures)
- Risk management (all recommended disclosures)
- Strategy (disclosures (a) and (b))
- Metrics and targets (disclosures (a) and (b))

Further work is currently underway to enhance our reporting on Strategy disclosures (a) and (b) and to achieve full compliance with disclosure (c).

We are in the process of carrying out a comprehensive climate-related risk mapping exercise to develop a more granular overview of our material risks and impacts over the short-, medium-, and long-term. The results of this assessment will be included within our next TCFD disclosure, or the one thereafter, once finalised, as it is dependent on a new dedicated in-house expert to deliver this.

Additionally, one of our focus areas in 2023 is measuring and reducing our most significant emissions, financed emissions, through our portfolio company Climate Programme. At Bridgepoint Group level, we will continue to work on a carbon reduction action plan and finalise this once we recruit an in-house climate expert. This work will further strengthen the Group's sustainability strategy and enable us to become compliant with TCFD Metrics and targets disclosure (c). The current metrics used by the Company to monitor and manage relevant climate-related risks are provided in the Metrics and targets section.

We will continue improving upon our financial climate-related reporting and expect to be able to publish an improved TCFD report year-on-year, closing the gap to full compliance.

TCFD *continued*

Governance

Board oversight of climate-related risks and opportunities

The Board, assisted by the ESG Committee and the Audit and Risk Committee, provides ultimate oversight over the Group's responsible investment strategy, including climate-related risks and opportunities.

The recently constituted Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning and will oversee the implementation of the Group's ESG policies approved by the Executive Committee. It will also monitor ESG performance and risk indicators across the Group and its investment portfolio. Non-Executive Director Angeles Garcia-Poveda recently joined the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, which aims to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in this initiative will help ensure that our Board stays up to date on industry best practices.

The principal responsibilities of the Audit and Risk Committee include monitoring the effectiveness of the Group's risk management systems, including the Group's management of any material climate-related risks.

Assessing and managing climate-related risks and opportunities

Recognising that ESG factors and climate concerns can have a material impact on the Group's performance and our investment activities, Adam Jones, our Group Chief Operating Officer (COO) and Chief Financial Officer (CFO), has been appointed as the Board-level executive sponsor for ESG matters, whilst our Chief Investment Officer (CIO), Xavier Robert, is responsible for ESG matters at the Executive Committee level and oversees the work of our in-house ESG team and investment teams.

The Executive Committee executes the Group's responsible investment strategy. The Committee meets monthly and implements the Group's ESG strategy and sets priorities, sustainability targets and responsible investment procedures and policies. The responsibility for identifying, assessing, and managing climate-related risks impacting Bridgepoint's operations is diffused across various teams within the organisation, such as the ESG team, Legal & Compliance team, and the investment teams.

The ESG team, with support from the Legal & Compliance team and input from relevant business units, is responsible for developing a register of climate-related risks and opportunities as well as devising suitable mitigation strategies for material risks identified. In addition, the ESG team provides support to the Board, its committees, and the Executive Committee in carrying out their responsibilities and assists in the development and implementation of the Group's ESG strategy. The ESG team reports directly to the CIO and the ESG Committee, while the Legal & Compliance team provides regular updates to the Audit and Risk Committee on risk-related matters. The Group also draws on the expertise of external ESG advisers and climate experts as necessary to effectively implement ESG initiatives throughout the firm and develop best practices.

Considering our business model, we recognise that the majority of our exposure to climate-related risks is related to our investment activities. Therefore, we have established pre-investment ESG due diligence processes to identify and evaluate the level of exposure to ESG and climate-related risks in both our credit and private equity portfolios. Within Bridgepoint Private Equity, the investment teams report the findings of the diligence process and the recommended remedial actions to Bridgepoint's Investment Advisory Committee ("IAC"), which informs the investment decision. Post-acquisition, the Portfolio Monitoring Committee ("PMC") meets every three months during the first year of ownership and then annually to monitor the companies' ESG performance and review their exposure to ESG-related risks, including climate-related risks when relevant.

Within Bridgepoint Credit, the investment teams report the findings of the pre-investment screening to the relevant credit investment committees, which consider the information as part of the ultimate investment decision. In addition, the investment teams monitor ESG risks on an ongoing basis and hold semi-annual ESG portfolio reviews that are dedicated to updating ESG performance based on portfolio company progress or updates which may include climate risk.

The monitoring of material ESG considerations continues during the investment period and the credit and private equity investment teams engage with the portfolio companies to ensure that they align with the Group's ESG standards and have appropriate controls in place. A priority of Bridgepoint's ESG engagement strategy within our private equity portfolio is to ensure the portfolio companies have nominated a Board member to take responsibility for ESG matters within six months of investment, if no one has yet been designated.

Strategy

Identifying climate-related risks and opportunities over the short, medium, and long term

Considering the day-to-day operations of the Group across our office network, spanning 10 countries, the impacts of transitional and physical climate-related risks to the Group's direct operations are considered negligible. However, we recognise that we are already living in a changing climate and climate-related risks can develop rapidly and have far-reaching and potentially irreversible consequences.

Therefore, with third-party support to kick-start the process, we are currently carrying out a comprehensive assessment of the physical and transitional climate-related risks the Group may potentially be faced with under three different climate pathways over the short (0-3 years), medium (3-10 years) and long term (10+ years) from the present day up to 2050. The assessment relies on the following three scenarios:

- Low-emissions scenario in which an ambitious and coordinated global effort to implement stringent climate policies will lead to a considerable reduction of global GHG emissions, limiting the temperature rise to 1.5 -1.8°C with little or no overshoot. This leads to high transitional risks but relatively low physical risks.
- Medium-emissions scenario, which presumes moderate climate ambition with countries fulfilling the pledges set out in their Nationally Determined Contributions, leading to a decline in GHG emissions, but resulting nonetheless in a 2.6 - 3°C global temperature rise. The scenario presents moderate to severe physical risks with transition risks being relatively low.
- High-emissions scenario in which little to no climate action is taken, with countries continuing to rely on the consumption of fossil fuels, leading to a consistent increase in global GHG emissions, resulting in a global temperature rise of approximately 4°C. The scenario presents no transition risks, but very severe physical climate risks.

A range of scenarios were chosen to gain a comprehensive overview of the potential physical and transitional risks and the assessment draws on a set of socio-economic and climate variables, including GHG emissions, temperature rise, frequency of heatwaves, frequency of extreme weather events, carbon pricing, and loss of GDP due to implementation of climate policies, among others. Data used for the indicators was at a global level, not accounting for the specifications of individual countries. The scenarios are based on the data provided by the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC"). As Bridgepoint operates within the financial industry, scenarios developed by NGFS were deemed most appropriate, however as NGFS has yet to develop a 'hot-house' scenario in which global warming is likely to reach or exceed 4°C, it was decided to use IPCC projections to be able to fully explore potential physical climate risks. The aim of the assessment is to establish a register of material climate-related risks and opportunities, which are then integrated into the Company's central risk register to ensure material climate-related risks are considered in the Company's strategic and financial planning.

Given the scale of our investment activities, our principal exposure to climate-related risks is undoubtedly related to our portfolio companies. We are committed to avoiding investment in companies which may cause social or environmental harm. Hence, exclusion lists have been put in place for Bridgepoint Credit and the Bridgepoint Europe private equity investment strategy, which provide an overview of non-compliant sectors and activities that Bridgepoint will decline to consider for investment. The BE exclusion list is currently being expanded across all private equity strategies.

The Group recognises that our portfolio companies have ESG risks and opportunities, which vary by company, sector, and jurisdiction. We have therefore developed pre-investment ESG due diligence processes to evaluate their inherent and residual risk levels in our credit and private equity portfolios. During the due diligence process for private equity, our investment teams, in collaboration with external ESG advisers, identify material ESG risks, including climate-related risks where relevant, and develop recommendations for suitable control measures. The due diligence processes account for both physical and transitional climate-related risks, including but not limited to climate regulations mandating measurement and reduction of Scope 1, 2 and 3 GHG emissions, compliance obligations related to country-specific emission trading schemes, risk of flooding to key operational locations, as well as associated impacts on supply chains. Following investment, the PMC will meet after three months, six months, nine months, 12 months and then once every year throughout the holding period. ESG forms part of every private equity PMC discussion, including performance on climate KPIs.

TCFD *continued**Strategy continued***Identifying climate-related risks and opportunities over the short, medium, and long term**
continued

During 2021, the Group also carried out climate-related risk assessments with support from a leading international ESG consultancy. The analysis provided climate scenario heat maps for 43 companies within our private equity portfolio, which constituted two thirds of our assets under management, and the BDL III and BCO IV funds within our credit portfolio. The assessment considered the physical and transitional climate-related risks to our portfolio companies under the following three scenarios: low-emissions scenario, representing a global temperature rise of 1.5-1.8°C; medium-emissions scenario, representing a global temperature rise of 2.6-3°C; and a high-emissions scenario, representing a global temperature rise of around 4°C. To ensure consistency in our climate risk management approach, the scenarios chosen for assessing climate-related risks to the Company's direct operations and to the investment portfolio were consistent.

The assessment concluded that, overall, our portfolio is exposed to relatively low climate risks. As climate scenario analysis is an iterative process, we are committed to repeating this exercise, covering both the Group's direct risks and risks to our portfolio companies, every two to three years, as the underlying assumptions of the analysis develop and change. Despite the low level of risk identified in the assessments, we are currently in the process of updating our ESG due diligence processes for both private equity and credit to include additional climate risk considerations.

Impact of climate-related risks and opportunities

The direct impact of climate-related risks on the Group's operations is considered to be limited. Therefore, while climate-related impacts are considered within our risk management system, they are not a principal risk. Examples of risks and opportunities identified in our portfolio for technology and software businesses include physical risks such as extreme weather events affecting a company's IT and office infrastructure (including data centres, servers, and cables) potentially leading to an increase in operating expenditure and decreased staff productivity. Furthermore, in the consumer sector, as consumers reduce their personal carbon footprints, under the low carbon scenario, transition risks such as the reduction in consumption and demand of animal protein could lead to loss of revenue. On the other hand, companies may be able to offset this risk partially or wholly, and even generate revenues, by developing meat-free alternatives for consumers.

As previously mentioned, we are currently working on updating our risk register of material climate-related risks, which will then be integrated into our existing risk management system. The risk register will provide a more granular overview of the relevant climate-related risks, enabling us to develop a more comprehensive account of our level of exposure. Moreover, one of our priorities for 2023 is to increase the granularity of our carbon disclosure and devise appropriate carbon reduction plans and initiatives to decrease the Group's carbon impact. Furthermore, we continue to work towards achieving our target of net zero across our portfolio by 2040. This is in line with targets in place in the jurisdictions in which we operate, such as the United Kingdom and the European Union, which have established net zero targets.

ESG and climate considerations play a significant role in our investment practices. As previously noted, the assessment of climate-related risk exposure in our private equity and credit portfolios, carried out in 2021, considered the current level of physical and transitional risk exposure to be negligible. All our portfolio companies are subject to a pre-investment ESG due diligence assessment, and we are currently in the process of updating the process to include additional climate considerations with the aim of further reducing the level of climate-related risk our portfolio is exposed to.

The potential impact of ESG-related risks also guides our strategic thinking - our credit strategy uses a proprietary assessment to analyse the ESG performance of potential investments; our private equity strategy has invested in a reporting tool to better monitor and track the performance of portfolio companies against numerous ESG KPIs. Further demonstrating our drive to invest responsibly, we have committed to aligning all our new private equity funds to Article 8 of the SFDR, including BE VII and BG II which have dedicated carbon objectives. Within the credit business, BDL III and BCO IV are also aligned to Article 8.

Strategy *continued*

Climate scenario analysis and resilience

Based on the climate scenario analysis we've carried out, which considered three potential pathways, including a 2°C or lower scenario, we have concluded that the risk of financially material climate-related impacts on the Group's direct operations is negligible. Taking into account the climate scenario analyses, our identified risk exposure and the processes we have established to manage ESG-related risks within our business, we consider our current strategy to be resilient to potential climate change impacts. We operate in various different geographies and have established a diversified investment strategy in six different sectors to limit the risk exposure of our portfolio.

In the event of significant climate change impacts, 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. The responsibility for identifying and managing ESG and climate-related risks is diffused across the Company as illustrated in our Governance disclosure, ensuring effective oversight of ESG matters. We are also currently working on devising a climate-related risk register to closely monitor the development of any potentially material risks. The Group has taken a proactive approach towards management of ESG issues, and we continue to grow our competence in this field to be prepared for any future challenges.

As mentioned, the overall climate risk identified across our portfolio was considered low. We have consciously chosen not to consider investment in companies which may cause environmental or social harm by establishing exclusion lists. In addition, a multi-stage due diligence process has been established to ensure ESG risks, including climate-related risks where material, with potential to impact our portfolio companies are identified pre-investment and effectively managed and mitigated during the investment period. The process also includes an assessment of the portfolio company's resilience and developing recommendations for addressing any gaps in the company's current ESG strategy. If the evaluation raises any concerns about unmanaged material climate risks, we proactively engage with the investee's management to eliminate or mitigate any potential impacts to the viability and future growth of the company. These are then monitored closely on an ongoing basis by the PMC as mentioned previously.

TCFD *continued*

Risk management

Processes for identifying and assessing climate-related risks

The Legal & Compliance team, which reports to the Audit and Risk Committee and the Executive Committee, regularly assesses the Group's key risk exposures, including emerging risks such as climate-related risks.

Our in-house ESG team, in collaboration with the Legal & Compliance team and investment teams, is in the process of developing a more granular risk register of climate-related physical and transitional risks with the potential to have a material impact on the Group's operations. The climate-related risk register framework includes assigning owners to all identified risks, summarises controls and mitigants, and specifies key risk indicators ("KRIs"). In addition, it estimates the potential financial and non-financial impact were the risk to eventuate, as well as the cost of control measures. The quantification of potential financial impacts and the cost of mitigation measures will facilitate the consideration of climate-related risks in the Group's strategic planning.

As risks are continually evolving, the Risk & Compliance and ESG teams perform regular horizon scanning to identify emerging risks, paying particular attention to current and emerging regulatory risks. To support the ESG and Legal & Compliance teams in staying up to date with ESG and sustainability-related regulations, law firm Travers Smith was commissioned to conduct a comprehensive mapping exercise on current and future regulations that are material to Bridgpoint, including those related to climate risk. Any material issues identified will be escalated to the Executive Committee as appropriate.

With regard to identifying and assessing climate-related risks in our investment portfolio, we have established an ESG due diligence process as previously described. With support from external ESG advisers, our investment teams assess the ESG performance of portfolio companies pre-investment. This identifies ESG risks, including climate-related risks where material, evaluating the risk exposure and recommending appropriate mitigation strategies. The risk assessments are reviewed by the relevant investment committees. Furthermore, we have carried out a project to estimate our financed emissions using the Partnership for Carbon Accounting Financials ("PCAF")¹ methodology to better understand the footprint of our portfolio companies and be able to support our portfolio companies in reducing their emissions. Please see Metrics and targets for our disclosure.

Processes for managing climate-related risks

At the Group level, any ESG and climate-related risks considered to have a material financial impact on the Group's financial performance are included within the central risk management system. All enterprise risks are assigned an owner from senior management, to ensure oversight of the risk management process, and subcategory risks are owned by relevant team members, with climate-related risks often drawing on the expertise of the ESG and Risk & Compliance teams. Where specific technical or legal expertise is required, the Group is supported by our extensive network of ESG and legal advisers and ESG industry associations and working groups, such as iC International, Invest Europe, BVCA and France Invest. Mitigation strategy, control measures and KRIs are identified for each risk, accounting for the effectiveness of the current control environment.

Across our investment strategies, we consider active engagement an essential component of Bridgpoint's approach to ESG risk management. Throughout the investment period, we support and collaborate with the portfolio companies' management teams to implement best-practice ESG processes, policies and risk management systems. Within our private equity portfolio, our investment teams work with portfolio company management teams to appoint a senior executive to champion ESG considerations on the Board, within six months of investment, if no board-level oversight of ESG issues has yet to be established, in addition to an ESG contact who is responsible for ESG on a daily basis. Furthermore, specific ESG KPIs are defined to monitor the company's progress and the investment teams offer their expertise to help the portfolio companies establish appropriate ESG and carbon reduction initiatives.

1. The Partnership for Carbon Accounting Financials helps financial institutions assess and disclose the GHG emissions from their loans and investments through GHG accounting.

Risk management *continued*

Processes for managing climate-related risks *continued*

Where possible, Bridgepoint Credit provides portfolio companies with financial incentives and penalties in the form of ESG margin ratchets. The margin ratchets include specified ESG targets relevant to the business which may include climate KPIs such as emission reduction targets. Thereby, management of ESG-related risks remains a focal topic throughout our investment period.

We also leverage our network of ESG advisers when necessary to support the portfolio companies in the process of identifying and managing material ESG-related risks. Such an engagement approach helps us ensure that our portfolio companies develop industry-specific good management practices of ESG issues and remain aligned to Bridgepoint's standards, contributing towards the UN SDGs.

Integration of climate-related risks into overall risk management

Within the Group's risk management framework, risks are categorised into three areas - Strategic and External risks, Investment risks, and Operational risks -, with ESG- and climate-related risks being considered through the lens of the identified three categories. The materiality of the risks is assessed based on two key factors: the likelihood of the risks eventuating, and the potential impact on the Group's performance were the risks to eventuate, taking into consideration both the financial impact as well as the non-financial impact such as reputational damage. The prioritisation of the risks also considers factors such as speed to impact and whether the risk is trending in a particular direction (see pages 78 and 79 for a more detailed overview of the Group's risk management processes). Appropriate mitigation measures and risk indicators are identified for all risks and the effectiveness of established control measures is regularly monitored by the Legal & Compliance teams, relevant Committees, and the Board.

As noted previously, a similar risk management process is in place for our investment portfolio, monitored and managed by the ESG and investment teams with oversight from the ESG Committee. Any material climate risks identified over the course of the ESG due diligence process are reviewed by the relevant committees, with our investment teams supporting portfolio companies with developing ESG roadmaps, monitoring KPIs and reporting against progress. To encourage detailed disclosure on ESG matters, all portfolio companies are required to provide at least annually a comprehensive account of their ESG performance, including management of climate-related risks when considered material. In 2022, we also launched an onboarding ESG questionnaire for our private equity portfolio companies, which includes climate-related considerations, to optimise ESG data capture. One of our key priorities for 2023 is gaining a more granular understanding of the carbon footprints of our portfolio companies and supporting them in developing credible emissions reduction plans. To achieve this, we are in the progress of setting up a centrally coordinated programme. In the interim, we have decided to estimate the financed emissions of our private equity and credit portfolio using PCAF methodology. Please see our disclosure under Metrics and targets.

TCFD *continued*

Metrics and targets

Metrics used to assess climate-related risks and opportunities

We support the UN SDGs of the 2015 Paris Agreement and the ambition to limit global warming to 1.5°C above pre-industrial levels. At Group level, we have focused on refining our carbon accounting to accurately measure our carbon impact and have been monitoring the Group's Scope 1, 2 and 3 emissions since 2019. In addition, this year, we are also able to disclose the GHG emissions related to our investment portfolio, calculated in line with the GHG Accounting & Reporting Standard for the Financial Industry, developed by PCAF.

In addition to metrics related to GHG emissions, we track a broad range of ESG and climate-related metrics in our private equity and credit investment activities.

Our private equity investment team has defined a set of standardised KPIs that are annually collected, such as energy consumption, adoption of climate-related policies and implementation of appropriate governance and risk structures, as well as specific KPIs adapted to individual portfolio companies, that are regularly monitored throughout the investment period to ensure the portfolio companies' alignment to Bridgepoint's ESG standards.

In our Private Credit business, we have established a portfolio company scoring system, which enables us to assess company ESG performance against over 30 ESG KPIs, which are collected annually, including environmental metrics such as consumption of renewable energy and GHG emissions reduction.

In 2023, we plan to launch a centralised Climate Programme to support each of our private equity portfolio companies on carbon footprint calculation, the development of tailored GHG emission reduction plans as well as verification of carbon data.

Bridgepoint Group emissions and financed emissions

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.

Selected Scope 3 emissions have also been included to provide additional detail on our GHG inventory.

Table: Bridgepoint Group's emissions

Emissions Scope	Current reporting year 2022			Comparison reporting year 2021		
	UK	Rest of world	Total	UK	Rest of world	Total
Scope 1 (tCO ₂ e)	61.6	35.3	96.9	78.7	13.6	92.3
Scope 2 – location-based (tCO ₂ e)	104.3	164.6	268.9	68.6	112.4	181.0
Scope 2 – market-based (tCO ₂ e)	66.3	95.3	161.6	8.8	31.2	40.0
Deducted emissions related to the purchase of renewable electricity	38.0	69.3	107.3	59.8	81.2	141.0
Total Scope 1+2 - location-based (tCO ₂ e)	165.9	200.0	365.9	147.3	126.0	273.3
Total Scope 1+2 - market-based (tCO ₂ e)	127.9	130.6	258.5	87.5	44.8	132.3
Underlying total energy consumption (kWh)	584,953	861,499	1,446,452	752,771	640,717	1,393,488
Emissions intensity for Scope 1+2 – locations-based (tCO ₂ e/FTE)	0.76	1.38	1.01	0.78	0.92	0.84
Emissions intensity for Scope 1+2 – market-based (tCO ₂ e/FTE)	0.59	0.90	0.71	0.46	0.33	0.41
Scope 3 emissions (tCO ₂ e)	N/A	N/A	2,482.4	N/A	N/A	1,019.3

Metrics and targets *continued*

Bridgepoint Group emissions and financed emissions *continued*

Methodology

In 2022, we invested in a software platform and external support to improve the accuracy and completeness of our Group's GHG emissions inventory. This allowed us to report on a significant portion of the emissions indirectly arising from our operations, including our financing activities.

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1. We have included all sites and activities which fall under our operational control boundary.

The following are included in the methodology for the calculations above:

- Scope 1 emissions include 'fugitive' emissions from cooling systems within our buildings.
- Scope 2 emissions include purchased electricity as well as heat procured for our offices. They have been calculated using the location-based approach as well as the market-based approach to illustrate our efforts to procure renewable electricity since 2020.
- Carbon intensity was calculated based on average FTE for the year. Note that due to a slight change in methodology, a minor revision was made to the carbon intensity figure for 2021.
- 2022 Scope 3 emissions in the table include category 1 (purchased goods and services), category 5 (waste generated in operations) and category 6 (business travel).
- Scope 3 category 1 emissions (purchased goods and services) are based on a combination of the average-data and spend-based methodologies.
- Scope 3 category 5 emissions (waste generated in operations) are based on volumes of waste by type produced in our offices.
- Scope 3 category 6 emissions (business travel) are based on expenditure and distance travelled for air travel, rail travel, taxis, and rental cars, and on number of nights stayed or expenditure for hotel stays.
- Scope 3 category 15 emissions (investments) are based on calculations in line with PCAF methodology. These are shown separately in the following section.

Scope 3 emissions are currently calculated for our global activities.

Estimated emissions from financing activities

For the first time, we have estimated portfolio company emissions of our entire private equity portfolio and selected credit funds using PCAF methodology. The selected credit funds included in the estimated portfolio financed emissions are BCO IV and BDL III, and over 2023 it is planned that more credit funds will be included in the scope of this assessment. Weighted average carbon intensity ("WACI") is a carbon intensity metric that measures tonnes of CO₂e ("tCO₂e") per million dollars of revenue. It is an indicator recommended by TCFD to assess a portfolio's exposure to carbon intensive companies.

Strategy	Total emissions	WACI (Scope 1, 2)	WACI (Scope 1, 2 and 3)
Private Equity	1,173,943 tCO ₂ e	56.35 tCO ₂ e/\$m	225.88 tCO ₂ e/\$m
Private Credit	65,165 tCO ₂ e	24.98 tCO ₂ e/\$m	136.68 tCO ₂ e/\$m

Comparisons with the previous reporting year

Our Scope 1 emissions have decreased; however, this is mainly due to a change in methodology. The consumption of natural gas was previously reported in Scope 1, but this is now reported in Scope 2 as this is purchased from building managers. This scope also now includes emissions from cooling our buildings, arising from refrigerant leakage (known as fugitive emissions).

Scope 2 emissions have risen significantly using both the location-based and market-based methodologies. This is mainly due to moving the consumption of gas to purchased heating within Scope 2 to reflect our operational boundary. Furthermore, a combination of people returning to work following Covid-19, as well as high electricity usage during the fitting-out of our new London office which fell within our operational control boundary have added to the increase.

TCFD *continued*Metrics and targets *continued***Bridgepoint Group emissions and financed emissions** *continued*

Carbon intensity for the UK has decreased using the location-based methodology due to an increase in headcount and a decrease in Scope 1 emissions, however.

Scope 3 emissions relating to purchased goods and services, waste generated in operations, and business travel all increased in 2022 due to an increase in purchasing IT equipment for our new London headquarters, our annual conference which brought our colleagues together in Lisbon, improved data collection for business travel, and a natural increase activity following the Covid-19 pandemic.

Note that emissions for staff working from home was included in Scope 3 emissions for 2021 but was subsequently removed due to these no longer being material following a return to office working.

Actions taken to reduce emissions

In 2022, we consolidated our three London offices into a single energy efficient location, which benefits from an 'Excellent' BREEAM rating.

We have purchased renewable electricity for all our global offices since 2020, either through 'green' electricity tariffs or through the purchase of energy attribute certificates. Doing this reduces our Scope 2 emissions, using the market-based methodology.

Our UK employees also benefit from electric vehicle rental and cycle to work schemes as part of their benefits package, and our London office provides electric vehicle charging points. In France, our employees are encouraged to use electric bikes to commute around the city. These initiatives have the potential to reduce emissions associated with employee commuting (Scope 3, category 7), as well as reducing the personal emissions of our employees.

Although we recognise that they do not reduce our emissions, we also purchase carbon credits in the following certified nature-based investment schemes:

- The Uchindile Mapanda reforestation project to rebuild carbon sinks in Tanzania (verified carbon standard);
- The Francis Beidler forestry conservation project in the US (climate action reserve standard);
- The high impact reforestation project to conserve forests and support communities in Nicaragua (gold standard for the global goals); and
- The Rotunda Forest project to improve forest management in Romania (verified carbon standard and climate, community and biodiversity standards).

These nature-based investments are in line with the "beyond value chain mitigation" recommendations from the Science-Based Targets initiative as part of their net-zero standard.

Targets, performance, and key priorities

Our key priorities for 2023 are to further enhance the granularity of our carbon accounting and to continue implementing steps to minimise the Group's carbon impact.

At Group level, we set a target in 2021 to procure 100% of the Group's office electricity consumption from renewable sources since 2020 and we are pleased to report that we have fulfilled this target to date.

Going forward, we are focused on raising our ambition and looking for new ways to integrate climate considerations into our sustainability strategy, while continuing to reduce our environmental impact through office emission reduction initiatives, supplemented by verified carbon credits.

Regarding our private equity investment activities, in the short-term and as part of our centralised Climate Programme, we aim to ensure that by the end of 2023 (or within 12 months of Bridgepoint investment), all our portfolio companies have established carbon accounting for their Scope 1, 2 and 3 emissions and developed a GHG emissions reduction plan. Those that already have this in place will be expected to receive verification on their carbon data. For the longer term, we have set an ambitious target to achieve net zero in our portfolio by 2040, to align with the ambition set out in the Paris Agreement.

We recognise that this is an ambitious agenda, and we will take into consideration the maturity of our portfolio companies' ESG strategies, offering them the necessary level of support as they work towards improving their sustainability performance.

Non-financial information statement

The Group complies with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. 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 78 to 83.

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 31 December 2022, the Group had 377 permanent employees. Of those that provided data, 203 were male, and 173 were female. There are efforts to increase the pipeline of future female leaders at the firm, such as a 50:50 International Associate Programme target split of men and women, and a targeted increase in the number of women in the investment team to 40% by 2025.

Human rights

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. Periodically, Bridgepoint reinforces policies against modern slavery and human trafficking through firm-wide training.

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 modern slavery and human trafficking statement for the year ended 31 December 2021 can be found at [bridgepoint.eu](https://www.bridgepoint.eu).

Policies and standards

The Group has a whistleblowing policy that encourages colleagues to report suspected wrongdoing as soon as possible, and an externally managed whistleblowing reporting system is in place that allows colleagues to raise concerns in confidence. Any whistleblowing matters raised are escalated to the Audit and Risk Committee.

Bridgepoint's policies can be found on the company website in the "Legal, Regulatory and Other Disclosures" section.

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 requirements are set out on pages 74 to 76.

Risk management

1 Our approach and key developments in 2022

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 strategy level and across geographies, 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 key 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 framework. More details of the Audit and Risk Committee are set out on pages 102 to 109. During 2022, the Audit and Risk Committee considered the Group's risk management framework, and as a result work was undertaken to harmonise existing risk management frameworks, increase engagement with relevant risk owners and ensure effective reporting to the Audit and Risk Committee.

To manage risk, the Group operates on a three lines model:

- First line – Business units have the primary responsibility for managing risks in their respective areas.
- Second line – Bridgepoint's Legal & Compliance Team assist with risk management, monitoring the operation of first line controls.
- Third line - In July 2022, Deloitte was engaged as the Group's outsourced internal auditor, and provides risk assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls.

Prudent risk management within business units is underpinned by a strong control culture with clear oversight of responsibilities, and there is ongoing thematic compliance monitoring. The Group maintains comprehensive insurance cover with a broad range of policies covering a number of insurable events.

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. This is performed by each relevant business unit and collated into a broader risk management framework which is ultimately reported on to the Board and the Audit and Risk Committee.
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 product of these two factors and contextualised with a further evaluation of other factors such as speed to impact and whether the risk is trending in a particular direction.

4. **Manage and mitigate risks** – Mitigating actions, controls and monitors are identified for each risk, taking into account the effectiveness of the current control environment, and the impact of these on the likelihood and impact of the relevant risk are evaluated. 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 ongoing effectiveness of mitigants implemented.

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 ability to deliver on the Group’s strategic objectives or risks from external or broader events. Investment risks are those associated with investments made by the Group or the funds managed by it. Operational risks are those associated with the Group’s day-to-day operations, including risks relating to internal processes, people or systems. Risks in each of these categories may, if poorly managed, ultimately result in a negative impact on the profitability or prospects of the Group.

3 Key risks

The Group’s risk management framework is designed to identify a broad range of risks and uncertainties which it believes could adversely impact the profitability or prospects of the Group. A similar process is undertaken with respect to risks specifically facing the funds managed by the Group and as required by applicable regulatory regimes. As part of each of these frameworks and processes, ESG-related risks are considered.

The following pages set out the Group’s key risks identified and the primary mitigating actions, controls or monitors implemented for each risk as well as the change in that risk during the course of 2022 compared to 2021.

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 that 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 management *continued*

Fundraising challenges

Strategic and External

Change in risk during FY22



Description

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).

The alternative investment management sector is intensely competitive, with the Group competing with a number of other persons for investor capital, including sponsors of public and private investment funds. Fundraising markets remained congested in 2022. If market conditions for competing investment products result in competing products promoting rates of return more favourable than those achieved by the Bridgepoint funds, the attractiveness of Bridgepoint funds to investors could decrease.

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.

Mitigation

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, helping to alleviate competitive pressures.

As a leading middle market investor, the Group offers investors a differentiated approach arising from its global reach and ability to deploy capital across middle market strategies. This differentiation insulates the Group, to some extent, against the competitive pressures arising in respect of attracting fund investors.

Law and regulation

Strategic and External

Change in risk during FY22



Description

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 supervised by a number of regulators, including 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. The failure of the Group to comply with the rules of professional conduct and relevant laws and regulations could expose the Group to regulatory scrutiny, including penalties or enforcement actions.

Increased law and regulation may impact our operating entities, our funds, and the markets and sectors where the Group's investment strategies invest.

Mitigation

The Group is supported by dedicated Legal and Compliance functions that provide guidance to the business on its regulatory and legal obligations. These functions monitor regulatory and legislative changes in the jurisdictions in which the Group operates and interact with regulators and industry bodies to stay informed of regulatory changes. They also proactively take actions across the business to comply with any changes in law or regulation.

Employees of the Group are provided with periodic training on the laws and regulations relevant to the Group.

Changes in macroeconomic environment

Strategic and External

Change in risk during FY22



Description

Macroeconomic events may contribute to volatility in financial markets which can adversely impact the Group’s business by reducing the value or performance of the investments made by Bridgepoint’s funds. These pressures may result in challenges in finding investment opportunities for funds as well as challenges in exiting existing investments to realise value for investors. This could in turn affect the Group’s ability to raise new funds and materially reduce its profitability.

For example, rising interest rates may adversely impact multiples and discount rates used for investment valuations. Higher interest rates may also reduce our ability to secure favourable financing for fund transactions, impacting fund returns. Higher interest rates may also impact the cost of financing under Group facilities, or the availability of such financing. Furthermore, unhedged foreign exchange rate movements impact total returns and fund net asset values.

Mitigation

The Group’s business model is predominantly based on illiquid, closed-end funds which allows investment teams to remain disciplined throughout economic cycles. A range of approaches are used to inform strategic planning and risk mitigation across such cycles, including active management of the Group’s fund portfolios, profitability and balance sheet scenario planning, treasury management, and stress testing to ensure resilience across a range of macroeconomic outcomes.

Senior management of the Group regularly updates the business on economic trends and outlooks to aid investment teams and corporate functions to anticipate and proactively address macroeconomic risks.

Fund underperformance

Investment

Change in risk during FY22



Description

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 VII 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.

Mitigation

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. 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 fund exposure to individual investments, and diversifies investments in terms of sector, vintage and geography.

The deal flow of Bridgepoint funds is driven by the Group’s 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 pressures.

Risk management *continued*

Decreased pace or size of investments made by Bridgepoint funds

Investment

Change in risk during FY22



Description

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.

Many factors could cause a decline in the pace of investment, including the inability of the Group's investment professionals to identify attractive investment opportunities, 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 provided or other actions taken by regulatory authorities, or uncertainty and adverse developments in the global economy or financial markets.

The Group competes for investment opportunities for the Bridgepoint funds, and such competition is based primarily on the pricing, terms and structure of a proposed investment and certainty of execution. The market for private equity transactions has at times been characterised by relatively high prices, which can make the deployment of capital more difficult.

A failure to deploy committed capital in a timely manner may have a negative impact on investment performance and the ability to raise new funds.

Mitigation

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.

Personnel and key people

Operational

Change in risk during FY22



Description

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 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.

Mitigation

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.

Information technology and cyber security

Operational

Change in risk during FY22 

Description

The Group relies on the secure processing, storage and transmission of confidential and other information in 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 systems.

Cyber-security failures, technology failures or data security breaches could result in the confidentiality, integrity or availability of data being negatively affected, causing disruption or damage to the Group’s business.

Mitigation

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.

Third-party service providers

Operational

Change in risk during FY22 

Description

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.

Mitigation

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.

Bridging the gap between...



people and ideas.



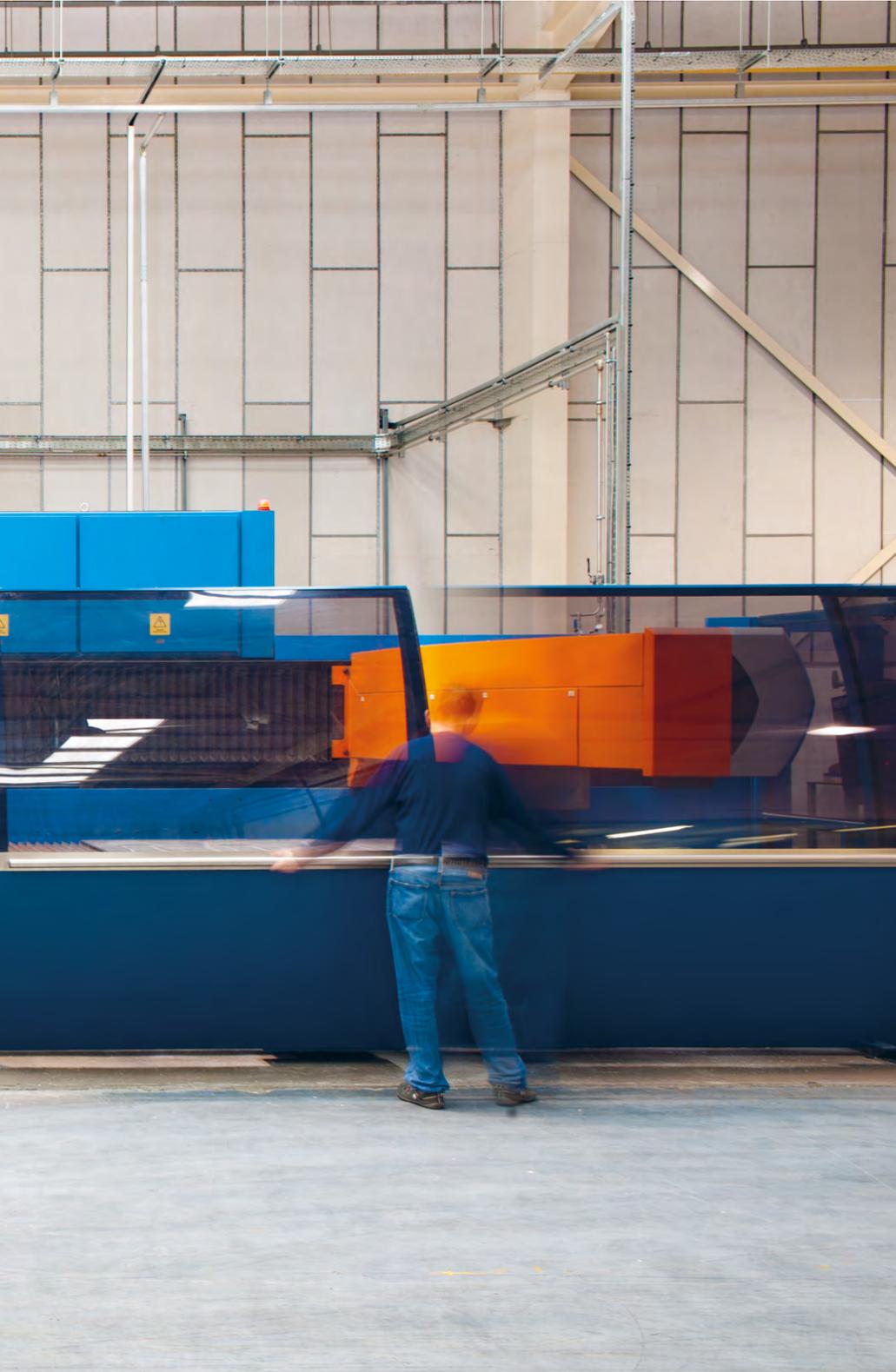
“It’s all about the team. It’s all about the talent that we employ and our ability to foster and liberate that talent and really give it an opportunity to shine.”

Michael Black
Managing Partner, Bridgepoint
Development Capital

Bridging the gap between...



opportunity and capital.

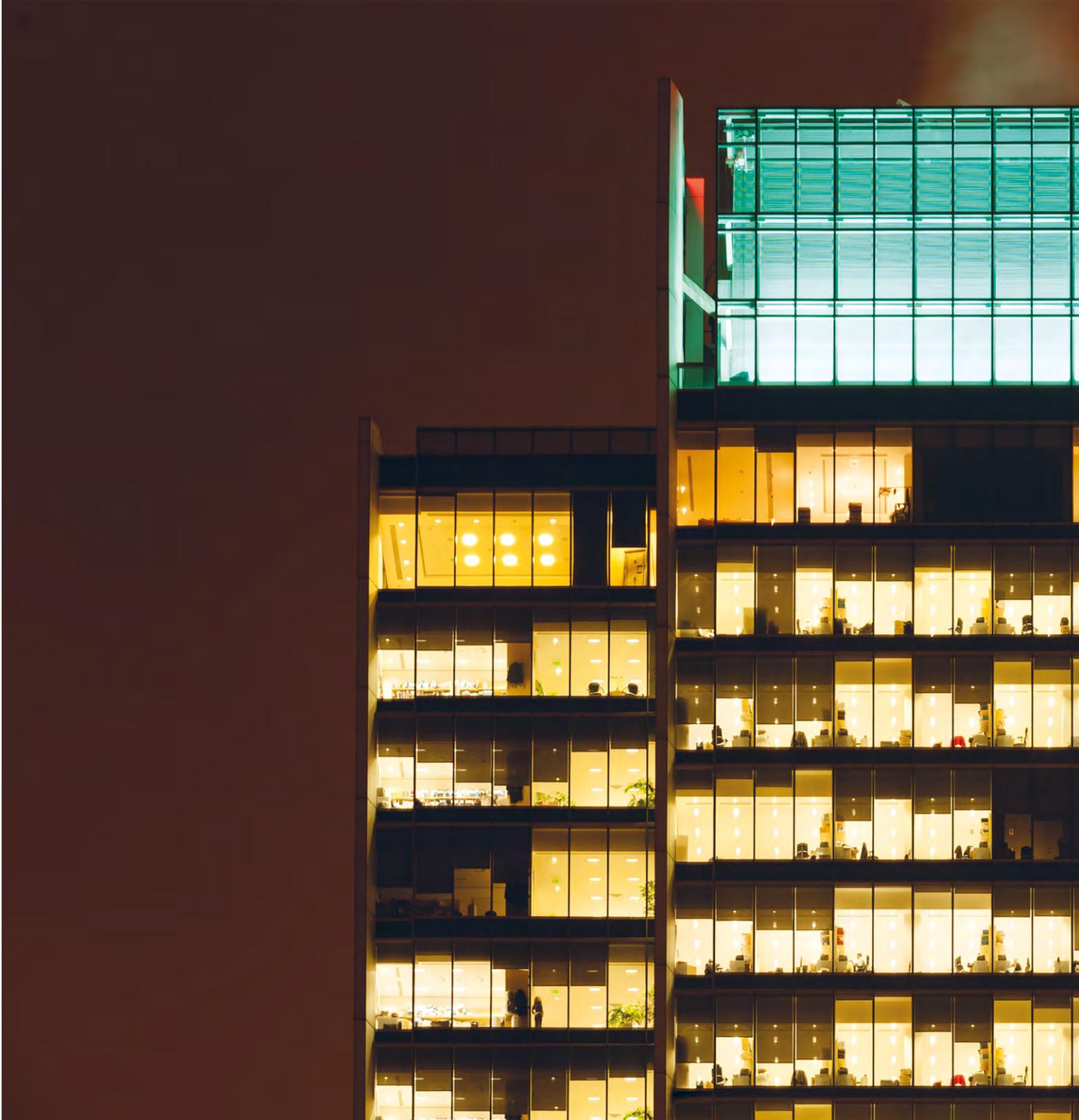


“We wanted to raise further capital to continue the growth agenda and the IPO was a natural way to do it.”

Raoul Hughes

Group Managing Partner, Head of Business Development and Strategy

To make great businesses...



greater.



“A straightforward investment philosophy that we delivered what we said we would deliver on. So we didn’t chip away in the negotiations; we try to be straightforward and honest.”

David Shaw
former Bridgepoint Chairman & CEO

And make communities...



stronger.



←

Left

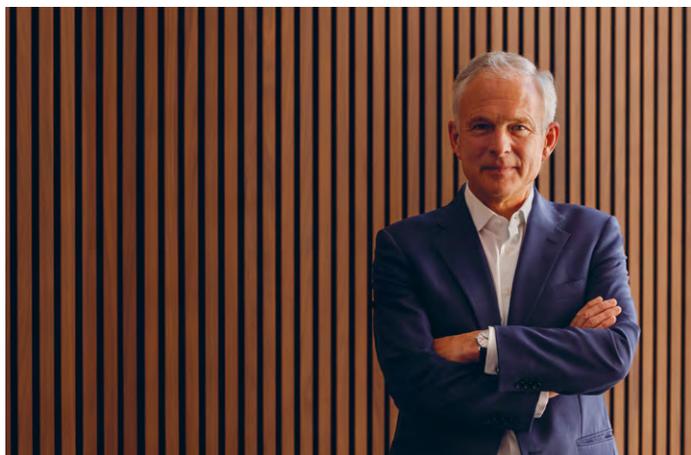
Bridgepoint volunteer day at a
NHS Covid-19 Vaccination Centre

“This is about obviously achieving really strong returns for our investors but doing it in a way that we can be proud of.”

Guy Weldon

Group Managing Partner,
Head of Investment

Board of Directors



William Jackson

Chairman

Appointed Managing Partner in 2003 and 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 Bridgpoint, 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 Bridgpoint fund portfolio company.

William is also a Non Executive Director of Berkeley Group, 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

Key

- A** Audit and Risk Committee
- N** Nomination Committee
- R** Remuneration Committee
- E** ESG Committee
- Committee Chair



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.



Angeles Garcia-Poveda

Independent Non-Executive Director

Appointed in June 2021

N R E

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, where she worked as a consultant in Madrid and Paris.

Other significant appointments

- Chairperson of the Board, Legrand SA
- Non-Executive Director, Edenred SE

Board of Directors *continued*



Carolyn McCall DBE

Independent Non-Executive Director

Appointed in July 2021

A N E

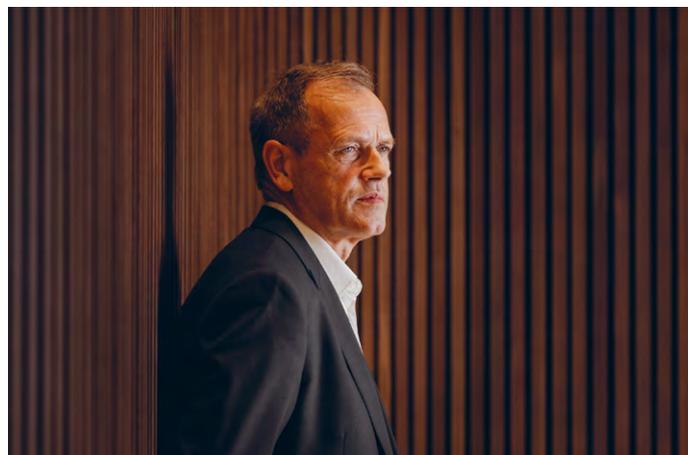
Skills and experience

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 Councils (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 the Deputy Chair, Senior Independent Director and Chair of the Nomination Committee 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



Cyrus Taraporevala

Independent Non-Executive Director

Appointed in January 2023

A R

Skills and experience

Cyrus Taraporevala is a highly respected industry leader in asset management with more than 30 years of experience, having successfully led and grown global businesses of scale.

He is currently a non-executive director of Shell plc. Previously, he was President and Chief Executive Officer of State Street Global Advisors from 2017 to 2022. While there, he played a critical role in affirming State Street’s reputation as both a stalwart and a pioneer within the asset management sector. Cyrus has published multiple articles on ESG and climate risk, and is recognised for strengthening State Street’s ESG credentials. Cyrus was also a founding member of the New York Stock Exchange Board Advisory Council.

Prior to State Street, he held numerous leadership roles at several asset management firms: Fidelity Investments, BNY Mellon Asset Management, Legg Mason and Citigroup. Earlier in his career he spent 14 years at McKinsey & Company, including 7 years as a partner.

Other significant appointments

– Non-Executive Director, Shell plc

Key

- A** Audit and Risk Committee
- N** Nomination Committee
- R** Remuneration Committee
- E** ESG Committee
- Committee Chair

Senior Independent Director's governance review

→

Archie Norman

Senior Independent Director



On behalf of the Board, I am pleased to present the Group's governance report for 2022, Bridgpoint's first full year as a listed company.

During the year, the role of the Board has been to challenge and support management in its development and execution of strategy, providing an independent viewpoint on matters concerning the Group.

The key areas of focus for the Board during 2022 have been the ongoing Bridgpoint Europe VII fundraise and the development of the business in a more volatile market backdrop. In addition, significant time was spent discussing potential strategic opportunities.

We continue to believe that a good Board should have a close understanding of the business and be able to act as a strategic discussion partner to the Executive team, alongside their governance responsibilities. The Board has received a number of presentations from teams across the business and has gained a deeper understanding of how the Group operates as a result. One of the Board meetings for the year was held in Bridgpoint's Paris office which further allowed the Board to meet colleagues from around the Group.

During the year, a number of the Non-Executive Directors attended Bridgpoint's firm-wide conference, providing them with a valuable insight into the Group's culture and the views of employees. The completion of an employee engagement survey process also supported management's monitoring of the Group's culture and employee alignment with Group strategy.

Board composition

In November 2022, the Group announced the appointment of Cyrus Taraporevala as an independent Non-Executive Director, with such appointment taking effect on 1 January 2023. Cyrus brings a wealth of asset management industry knowledge to the Board, as well as an international viewpoint. His appointment also results in Bridgpoint satisfying the Parker Review target.

As previously announced, the intention is to appoint one further Non-Executive Director during 2023, where the focus will be on ensuring that the relevant candidate contributes to the overall diversity of viewpoints within the Board, as well as the mix of skills and knowledge. Further details are contained in the Nomination Committee report.

Stakeholder engagement

A full review of stakeholder engagement can be found in the Strategic Report on pages 28 to 32.

Corporate Governance Code compliance

The governance report explains the key features of the Group's governance framework. The Board remains committed to maintaining high standards of corporate governance, and the Group complies with substantially all of the provisions of the Corporate Governance Code. Further details are set out on page 100.

Annual General Meeting

The Company's AGM is scheduled to take place at 11.00 a.m. on 18 May 2023 and will be held in the Maxwell Room at the King's Fund, No. 11 Cavendish Square, London W1G 0AN. The notice of meeting and related explanatory notes contain further details.

A handwritten signature in black ink, appearing to read 'Archie Norman', with a long horizontal flourish extending to the right.

Archie Norman

Senior Independent Director

Find out more: [bridgpoint.eu](https://www.bridgpoint.eu)

Corporate governance report

1. Our governance framework

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

<p>Board</p>	<p>Responsible for providing leadership, including setting the Group’s purpose, strategy and values, and promoting its long-term sustainable success.</p>	<p>A full schedule of matters reserved for the Board is available at bridgepoint.eu</p>
<p>Committees</p>	<p>The Board has established the following committees to assist it.</p> <p>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.</p> <p>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.</p> <p>Disclosure Committee The Disclosure Committee evaluates the need for announcements to the market, and 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.</p>	<p>The terms of reference for the Audit and Risk, Remuneration, Nomination and ESG Committees are available at bridgepoint.eu</p> <p>Remuneration Committee The Remuneration Committee determines the policy for Director remuneration, and sets the remuneration of Executive Directors and senior management.</p> <p>ESG Committee The ESG Committee assists the Board in its oversight of environmental, social and governance matters.</p>
<p>Chairman & Executive Committee</p>	<p>The Board delegates day-to-day responsibility for running the Group to the Chairman. The 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.</p>	

Corporate governance report *continued*

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 bridgepoint.eu

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

Chairman	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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 Chairman and executive management - In conjunction with the Chairman, represents the Group to external stakeholders - Leads the development of annual budgets for Board approval
Senior Independent Director	<ul style="list-style-type: none"> - Acts as a sounding board for the Chairman - Is available to shareholders if they have concerns about contact with the 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 Chairman's performance
Non-Executive Directors	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Responsible for advising, in conjunction with the Group General Counsel, on legal, governance and listing matters at the Board level and 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 2022, the Board met six times and among other areas discussed:

- 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 2021 Annual Report and Accounts and 2022 interim results;
- business development initiatives, including potential acquisitions that would provide additional investment strategies;
- the 2023 budget, and progress against the 2022 budget;
- shareholder and proxy adviser feedback;
- the Group’s ESG and charitable giving approach;
- the annual employee engagement survey results, and actions proposed in response; and
- legal and governance updates.

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 2022 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	Audit and Risk	Remuneration	Nomination
William Jackson	6/6	–	–	4/4
Adam Jones	6/6	–	–	–
Angeles Garcia-Poveda	6/6	–	3/3	4/4
Dame Carolyn McCall	6/6	6/6	3/3	4/4
Archie Norman	6/6	6/6	3/3	4/4
Tim Score	6/6	6/6	–	4/4

4. Culture

The Group has a strong and highly inclusive corporate culture, based on the core refreshed values of “We do what we say”, “We do the right thing” and “We act with intelligence and humility”. During the year the Board discussed these refreshed values and determined that they better encapsulated the core values of Bridgepoint. The Board also had a number of opportunities to monitor and review the Group’s culture, such as the firm-wide conference that was attended by a number of Directors, the employee engagement survey and ad hoc meetings between colleagues and Directors. The Board recognises the contribution of Bridgepoint’s unique culture to the success of the business and is satisfied that it is aligned with the Company’s purpose, values and strategy. No specific corrective action was requested of management during the year.

5. 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.

Corporate governance report *continued*

6. Internal board evaluation

During the year the Board undertook an internal evaluation. This was conducted by the Group Company Secretary circulating questionnaires, seeking feedback on a range of areas and covering the Board, the Directors, and each Committee of the Board. The Group Company Secretary then reported on the feedback received to the Senior Independent Director and the Board, and the Senior Independent Director then had follow up discussions with the Directors on the findings of the evaluation. Separately, the Senior Independent Director held a meeting of the Non-Executive Directors without the Chairman to appraise the performance of the Chairman and the running of the Board.

The Board evaluation confirmed that the Board, its Committees and its individual members all continue to operate effectively and that each of these had performed strongly during the year. However, a number of specific action items arose from the evaluation, key ones being:

- the appointment of a Non-Executive Director with significant asset management experience and an international profile would benefit the Group (this has now been addressed through the appointment of Cyrus Taraporevala);
- the inclusion of a dashboard of key financial metrics in the Board papers for each meeting;
- additional improvements to risk management reporting;
- a review and refresh of management succession plans in 2023; and
- the provision of deep dive presentations from each business unit to the Board.

In 2023, it is intended that the Board evaluation will be externally facilitated.

7. 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, during 2022, applied the principles of, and complied with the provisions of, the Corporate Governance Code, subject to one exception.

Provision 9 of the Corporate Governance Code recommends that, on appointment, the Chair of a company should be independent when assessed against the circumstances set out in provision 10, and that the roles of Chair and Chief Executive should not be exercised by the same individual. William Jackson, as Chairman, combines the roles of Chair 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 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 the IPO. At the time of any future Chair or Chief Executive appointment, it would be considered whether the separation of these roles is appropriate.

Nomination Committee report



Archie Norman

Chairman of the
Nomination Committee



In its first full year of operation, the Nomination Committee focused on two key areas, the development of Board capabilities and potential appointment of two further Non-Executive Directors with complementary skills and experience and the development of long-term succession plans with respect to executives and members of senior management.

Board composition and appointments

Bridgepoint firmly believes in the importance of diversity at Board level and in 2022, over 30% of the Board comprised of women (with two out of six appointments). The Nomination Committee has instigated a search to identify and appoint two further Non-Executive Directors, to complement further the breadth of expertise and diversity of the Board. After some discussion and informed also by the Board evaluation process, the Committee concluded that the Board would benefit from the appointment of a further Non-Executive Director with strong experience of managing and leading asset management businesses, complementary international experience, and a strong cultural and collegiate compatibility with Bridgepoint. Following an extensive process, supported by external consultancy Russell Reynolds (which has no connection with the Company or any individual Director), on 1 January 2023 Cyrus Taraporevala was appointed as an independent Non-Executive Director. Cyrus brings a wealth of experience in the asset management sector, having previously worked at Fidelity Investments, BNY Mellon Asset Management, Legg Mason and Citigroup. More recently, he was chief executive of State Street Global Advisers, the fourth largest asset manager globally with \$3.3 trillion under management. Through his career, Cyrus has worked and lived in Asia, Europe, and North America.

The Committee noted Cyrus' appointment as a non-executive director of Shell plc and determined that this commitment would not affect his performance as a member of the Board.

Although Cyrus' appointment results in the satisfaction of Parker Review target in 2023, it has also meant that the Board now falls

below Bridgepoint's preferred threshold of at least 30% women and the Committee is resolved to address this in the year ahead. During 2023 it is therefore intended that one further Non-Executive Director appointment will be made, with a focus on further complementing the calibre, breadth of expertise and diversity of thinking amongst Board members.

Succession planning

The Committee believes that continuity of personnel and the evolution of top talent is critical to the way the business competes. Therefore, during the year the Committee reviewed and discussed long term succession planning for executives and other members of senior management. Bridgepoint has a rich seam of highly qualified investment talent that has grown up with the business and the Committee is keen to ensure that the pipeline of talent remains strong, that the diversity of emerging talent is broadened, and measures are in place to plan for succession at all levels. These measures include inviting individuals to participate in Board and Committee meetings, internal mentoring and external coaching and training. The Committee regards the medium- and long-term evolution of management at a senior level as an important area of focus and a subject which will also be a recurring item on the Board agenda.

Senior management and direct reports

In terms of gender diversity the business is aware of the need to increase the balance of women, particularly in investment roles: as at 31 December 2022, of the 14 members of the Executive Committee, 2 were women, and of the 56 direct reports to members of the Executive Committee, 15 were women. There are a number of initiatives in place to increase female representation in senior levels of the business, including a Women's leadership development programme.

It is our intention to increase the longer term pipeline of future leaders, such as through a 50:50 International Associate Programme gender split target, and a targeted increase in the number of women in the investment team to 40% by 2025.

Archie Norman

Chairman of the Nomination Committee

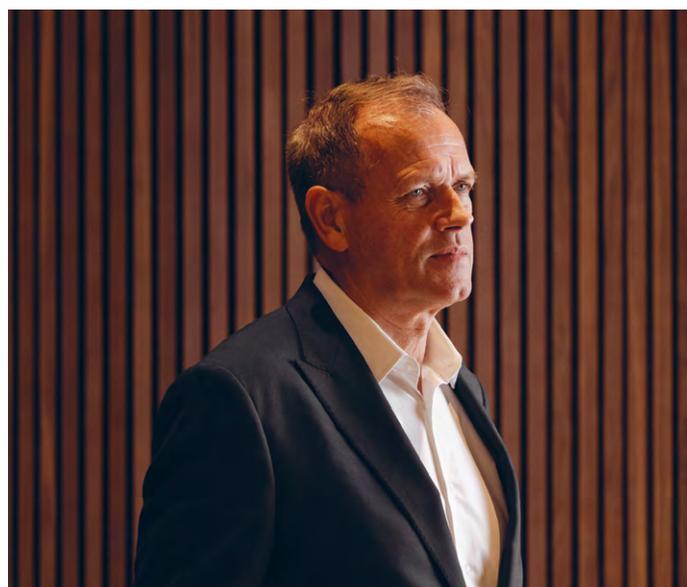
Find out more: bridgepoint.eu

Audit and Risk Committee report

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Tim Score

Chairman of the
Audit and Risk Committee



I am pleased to present the report of the Audit and Risk Committee for the year ended 31 December 2022. This report outlines how the Committee discharged the responsibilities delegated to it by the Board during the year, 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, judgements 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 – 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 the effectiveness of internal audit, 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 areas of focus during the year included:

- Reviewing the content and integrity of the full year and half yearly financial reporting and the Annual Report, including reviewing management's response to a letter received from the Corporate Reporting Review Team of the Financial Reporting Council as part of its regular review and assessment of the quality of corporate reporting in the UK, requesting further information in relation to the Company's 2021 Annual Report and Accounts.
- Identification and appointment of an internal auditor, and agreement of the internal audit plan
- Receiving reports from management in respect of internal controls, including the Group's risk management framework and IT security management and monitoring of treasury and risk management

Lastly, I wish to thank my fellow members of the Committee for their contributions during the year and I look forward to continuing our work in 2023.

Tim Score

Chairman of the Audit and Risk Committee

Find out more: [bridgepoint.eu](https://www.bridgepoint.eu)

Committee governance

Meetings

The Committee meets 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. The Committee met six times during 2022 and met twice since the end of the year prior to the publication of the Annual Report and Accounts.

Composition

The Committee possesses a good balance of skills and knowledge, including financial sector experience. In 2022, the Audit and Risk Committee comprised three independent Non-Executive Directors, all of whom have financial or related business experience due to the senior positions they hold or have held in other listed or publicly traded companies or similar large organisations.

On 1 January 2023, Cyrus Taraporevala joined the Audit and Risk Committee. Cyrus has substantial asset management industry experience, most recently being the chief executive of State Street Global Advisors, the fourth largest asset manager globally.

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 92 to 95.

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. Since their appointment as internal auditors, Deloitte have also been invited to attend each meeting.

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 [bridgepoint.eu](https://www.bridgepoint.eu).

The terms of reference are reviewed by the Board on a regular basis.

Effectiveness

The operations of the Audit and Risk Committee were reviewed as part of an internal Board evaluation undertaken in 2022. The Committee was found to be operating effectively, and more details on the Board effectiveness review more generally can be found on page 100.

Audit and Risk Committee report *continued*

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 2022, and the actions in respect of these matters, are set out in the following table:

Matter	Work undertaken
<p>Alternative performance measures</p> <p>The Group uses a number of alternative performance measures, including but not limited to:</p> <ul style="list-style-type: none"> - EBITDA; - Underlying EBITDA; - Underlying EBITDA margin; - Underlying FRE; - Underlying FRE margin; - Underlying profit before tax; and - Underlying profit before tax margin. <p>A full list can be found on pages 36 to 39.</p>	<p>The Committee discussed the alternative performance measures with the Executive Directors, considering their appropriateness.</p> <p>The Committee was satisfied that the alternative performance measures selected provide useful information to stakeholders, and do not detract from the IFRS measures.</p>
<p>Exceptional items</p> <p>The Group's income statement includes exceptional items which are separately disclosed. The identification of exceptional items involves judgement.</p>	<p>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 2022 related to the acquisition of EQT Credit and costs incurred in relation to potential acquisitions.</p> <p>The Committee was satisfied that the treatment was appropriate and in line with the Group's accounting policies.</p>
<p>Consolidation</p> <p>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.</p>	<p>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 2022 included consideration of the treatment of CLO 3 and 4.</p> <p>The Committee concluded that it was satisfied with management's assessment.</p>
<p>Revenue recognition</p> <p>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 judgement.</p>	<p>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.</p> <p>The Committee concluded it was satisfied that revenue had been properly recognised in the financial statements.</p>

Matter	Work undertaken
<p>Investment valuation</p> <p>The Group's co-investments represent a significant portion of the consolidated balance sheet. As these are mainly unquoted and illiquid, considerable professional judgement is required in determining their valuation.</p>	<p>The Committee reviewed the methodologies used to value the Group's investments in private equity and credit funds, the process and governance over the valuations and the outcome of that process as at 31 December 2022.</p> <p>Specifically, during 2022, the Committee:</p> <ul style="list-style-type: none"> - reviewed how multiples are selected for application in the valuation of private equity investments and the more significant changes during the year (increases and decreases); - understood how ESG factors are considered in portfolio company valuations; and - received an explanation of how a new discounted cash flow model had been built, used and tested in respect of the CLO notes. <p>Having challenged the approach taken by management, the Committee was satisfied with the approach taken to valuation as at 31 December 2022 and the disclosures made within the financial statements.</p>
<p>Effective tax rate</p> <p>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.</p>	<p>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.</p> <p>The Committee concluded that it was satisfied with management's approach to the calculation of tax.</p>
<p>Viability statement and going concern</p> <p>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.</p>	<p>The Committee considered whether management's viability statement assessment adequately reflected the Group's principal risks as disclosed on pages 80 to 83, 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.</p> <p>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.</p>
<p>Climate-related financial disclosures</p> <p>The Group is required to make certain disclosures in relation to the TCFD recommendations and makes additional recommended disclosures within the Annual Report on how the Group integrates climate risks and opportunities into business and investment decisions, and data on direct greenhouse gas emissions.</p>	<p>The Committee reviewed the way in which the Group's ESG strategy has been articulated within the annual report, including TCFD disclosures.</p> <p>The Committee concluded that it was satisfied with the disclosures included.</p>

Audit and Risk Committee report *continued*

Matter	Work undertaken
<p>Financial Reporting Council (“FRC”) letter relating to the 2021 Annual Report and Accounts</p> <p>In October 2022, the Company received a letter from the Corporate Reporting Review team of the FRC as part of its regular review and assessment of the quality of corporate reporting in the UK, requesting further information in relation to the Company’s 2021 Annual Report and Accounts.</p> <p>The letter focused on the treatment of cash flows relating to repurchase agreements and IPO costs and the presentation of the Company’s restructure ahead of its IPO.</p> <p>The Company responded to the enquiries and agreed to make certain changes within the 2022 financial statements and annual report and accounts. Prior year comparative figures have been restated in the consolidated statement of cash flows, the Company statement of cash flows and the Company statement of financial position. The FRC have confirmed that their enquiries have been closed¹.</p>	<p>The Committee was provided with copies of letters sent by the FRC and the Company’s draft responses.</p> <p>The Committee confirmed that it was satisfied with management’s responses to the FRC’s letter and disclosures made following the identified restatements.</p>
<p>2022 Annual Report</p> <p>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.</p>	<p>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.</p> <p>The Committee members were also provided with the final draft for review as part of the final sign-off.</p>

1. The FRC’s review is limited to the published 2021 Annual Report and Accounts; it does not benefit from a detailed understanding of underlying transactions and provides no assurance that the Annual Report and Accounts are correct in all material respects.

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 78 to 83.

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.

Areas of focus considered by the Committee in relation to risk management and internal controls, and the actions in respect of these matters, are set out in the following table:

Matter	Work undertaken
<p>Risk management framework</p>	<p>A paper was presented to the Committee which explained details of the Group's risk management framework, including an explanation of the enterprise risk register and risk rating methodology. As a result of the Committee's review of the effectiveness of the risk management framework, although no material issues were identified, work was undertaken to refresh the enterprise risk register and to set up a framework for reporting risk management matters to the Committee.</p> <p>The Committee also received a paper which explained how portfolio company risks are identified and managed across the private equity and credit strategies, prior to making investments and during the life of the investment.</p>
<p>IT security risk</p>	<p>The Committee received a paper which described the IT security risks to the Group, and the investment in technology and controls put in place in order to mitigate the risks, as well as the framework to manage a major cyber incident.</p> <p>The Committee also reviewed the cyber security risk assessment and monitoring put in place over the fund portfolio.</p>
<p>Treasury and financial risk</p>	<p>The Committee reviewed the Group's treasury and financial risk management framework and policy, and in order to further strengthen internal controls adopted policies in relation to the management of bank accounts, payments, investing of cash, borrowings and trading in foreign currencies.</p> <p>The Committee also received a paper which summarised the Group's exposure to foreign exchange risk and the mitigating risk management techniques, including the Group's foreign exchange hedging programme.</p>

Audit and Risk Committee report *continued*

External and internal audit

External audit

Mazars LLP were appointed as the Group's external auditor for the financial year ended 31 December 2021. They have now served for two years as appointed auditor.

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:

- 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.

In order to assess the quality and effectiveness of the external audit, the Committee has reviewed the audit process and the quality and experience of the audit team engaged in the audit, including the extent to which they had demonstrated competence, objectivity and professional scepticism. The Committee noted the receipt of quality reports with detailed information on the scope and results of their work, including challenges to management judgements.

The Committee also considered the matters identified in the review of the external auditor's work over the 2021 financial statements undertaken during the year by the FRC's Audit Quality Review team (AQRt) and the themes arising from the AQRt's review of a broader sample of Mazars' audits. Following a discussion with the external auditors, the Committee determined that the audit team had put in place adequate procedures for the audit of the Group to address the findings from the reviews.

Non-audit services provided by the external auditor

Mazars LLP are 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 auditor's independence or objectivity, in accordance with the FRC's Revised Ethical Standard.

Total fees for non-audit services amounted to £0.2 million, which represents 10.7 per cent. of the total Group audit fees payable for the year ended 31 December 2022. Details of all fees charged by the external auditor during the year are set out on page 161.

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 were 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 and Risk 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 year, a tender for the provision of internal audit services to the Group was undertaken. Four firms participated in the tender and Deloitte LLP were appointed. Deloitte are 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.

Following their appointment, Deloitte developed an audit plan for the period 2022-2023, which was both a top-down and bottom-up plan informed by the Group's strategy, risk register and discussions with members of management and the Committee members. The proposed internal audit plan for the next three years is expected to involve approximately four audits per year across the Group's various business units. The plan was subject to review and challenge by the Committee, before being approved.

Work has recently commenced for the four reviews identified for the first cycle of the plan, which are:

- private equity fund administration;
- compliance monitoring programme;
- credit investment governance; and
- data management and governance.

Each review will evaluate the design and operational effectiveness of the controls in place to address the risks identified.

Remuneration Committee report

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Angeles Garcia-Poveda
Independent Non-Executive Director



As Chair of the Bridgepoint Remuneration Committee, I am pleased to present on behalf of the Remuneration Committee the Directors' Remuneration Report for the year ended 31 December 2022.

I am also pleased to welcome Cyrus Taraporevala to the Committee, who joined on 1 January 2023, replacing Dame Carolyn McCall. I would like to thank Carolyn for her work on the Committee and her agreement to serve on the Committee until a fifth non-executive director was appointed to the Board.

Remuneration philosophy

At Bridgepoint, we firmly believe that our people are our greatest asset. This is reflected in the way that we conduct our business and also in how we value and reward our employees. We recruit diverse and talented professionals who exhibit a passion for performance and drive, we offer development opportunities to our colleagues through hands-on learning and extensive training, and we strive to foster a collaborative and inclusive environment.

Since Bridgepoint's inception, our differentiated culture has always been reflected in our incentive and remuneration structures which recognise and reward performance whilst providing strong alignment with the interests of our external stakeholders. Discretionary bonus structures reflect individual and company performance and are paid in addition to market competitive salaries and benefits. Employee share ownership is a key part of Bridgepoint's culture and currently employees and former employees (as well as certain related persons) hold over 50% of our issued share capital. Over 70% of our current employees are shareholders.

Our Directors' Remuneration Policy (the "Policy"), which was approved by shareholders at the 2022 AGM with over 99% support, aims to reflect our internal culture of share ownership, rewards for strong performance (a partnership ethos), and alignment with our fund investors as well as our shareholders and reflects 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.

As a committee, we are pleased to confirm that during 2022, remuneration arrangements both for Executive Directors and the wider workforce have continued to operate in line with the Bridgepoint remuneration policy and philosophy.

Company performance

In 2022, Bridgepoint continued to deliver strong returns for investors. The year saw significant growth in Assets Under Management and operating income rising by 14%. We have delivered investment income ahead of expectations and have seen the value of Bridgepoint funds hold up or rise further through 2022 despite asset prices declining in certain sectors of the wider market. As a result, underlying EBITDA and underlying profit before tax have strengthened by 23% and 33% respectively, translating to reported earnings per share of 14.6 pence.

Remuneration payable in respect of 2022

When considering the annual bonus outcome for the CFO, Bridgepoint uses a scorecard of measures that reflect the Group's business strategy, and which align to the interests of our stakeholders.

The business transitioned from investing BE VI to BE VII in 2022 but BE VII remains open for investor commitments impacting in year, but not underlying, management fees. Therefore, the Committee has calculated EBITDA for the bonus plan to reflect run rate management fees for BE VII. The EBITDA outcome delivered just above the mid-point for the range of targets originally set which the Committee assessed was an appropriate outcome providing a more relevant assessment of the CFO's performance.

As the timing of the BE VII fundraise evolved through 2022, the initial target capital raised in the year was not achieved. Bridgepoint continued to make significant investments across all strategies, which was reflected in performance against the capital deployed targets. Our CFO performed well in relation to the strategic objectives we set for the year, and in summary this resulted in approximately 25% of his salary being earned in total. Further details of performance against financial and non-financial performance measures can be found on page 114 to 115.

The Committee reviewed the formulaic result and considered whether any discretion should be applied to the adjusted bonus outcome. Based on the performance achieved against targets, the experience of stakeholders and wider assessment of performance during the year, the Committee was comfortable that the outcome was appropriate and should not be adjusted.

The base salary for the CFO remained unchanged from that set at the time of the IPO and disclosed in the 2021 Annual Report on Remuneration. During the year, the first grant under the Restricted Share Plan (“RSP”) was made to the CFO which equated to 50% of his salary. This will vest after three years subject to continued employment and achievement of the underpin as set out in the Policy.

At the request of the Chairman the Committee approved a permanent reduction in his base salary from £890,000 to £800,000 in September 2022. As set out in the Policy, William Jackson is not eligible to participate in variable remuneration arrangements.

Approach to remuneration for 2023

When determining our approach for the year ahead we considered a number of factors including business performance, the external market environment, the wider stakeholder context, Bridgepoint’s remuneration philosophy and how existing remuneration arrangements for Executive Directors are positioned relative to market.

Base salary

The base salary of the Chairman and the CFO will remain unchanged in 2023.

Variable pay

In line with the Policy, the CFO will be eligible to receive an annual bonus for 2023, with his maximum bonus opportunity remaining at 50% of salary.

The Committee has reviewed the ongoing appropriateness and balance of metrics used for the 2022 bonus award and determined that it is appropriate to split the EBITDA measure into FRE and investment income measures for the 2023 performance year. The Committee has also introduced a cash conversion KPI and included capital measures in the strategic objectives whilst reviewing the weighting of all metrics, to align with the CFO’s focus areas. All metrics will be measured on a normalised basis. Strategic performance measures including ESG will have a weighting of 30% and financial metrics will comprise the remaining 70%.

The Committee feels that these changes reflect the priorities of the business and align the CFO’s bonus opportunity with business performance.

A restricted share award will be made to the CFO following the announcement of the annual results. The award will be valued at 50% of salary and will vest after three years subject to continued employment and the performance underpin.

The Committee has been closely monitoring recent share price and market volatility. We will keep this under review in the lead up to the grant of shares under the RSP and will have discretion at the time of vesting to adjust the outcomes if we feel that management have benefited from factors outside of their control, and that the vesting of the award does not reflect performance achieved over the period.

In line with the Policy, William Jackson is not eligible to receive a restricted share award.

Non-Executive Directors’ fees

A comprehensive analysis of Non-Executive Directors’ fees has been undertaken this year and, recognising the workload of the Company’s Board committees, an additional membership fee of £7,000 per annum has been instituted for each of the Audit and Risk, Remuneration, ESG and Nomination Committees, taking effect from 1 January 2023. This fee will not apply to the chairs of the committees, where they already receive an additional fee for such role.

As highlighted on page 56, I am pleased to confirm that the business has formed a Board level ESG Committee, which aims to ensure that ESG considerations, including climate concerns and diversity, are integrated into the Company’s strategic and financial planning. This Committee is chaired by Dame Carolyn McCall, who will be supported by myself. Standard chair and membership fees (as adjusted above) will apply to this Committee.

Remuneration arrangements elsewhere in the Group

Our company-wide employee engagement survey enables colleagues, on a confidential basis, to provide feedback on a full range of employment issues, including remuneration.

We are conscious that the well documented spike in inflation has led to cost-of-living challenges for some of our workforce. During the year, the Group has closely monitored the impact on our colleagues and has considered how best to support them through this challenging time. In response a one-off cost-of-living award was made in September 2022 to our colleagues at junior levels.

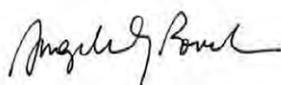
The inflationary environment has also influenced our decision making around annual pay increases to colleagues, with the Committee approving an average increase to eligible colleagues of 6.7%.

Conclusion

During the year, I was also pleased to attend a firm-wide conference where I had the opportunity to talk to employees across the Bridgepoint Group on a range of topics and I look forward to continued dialogue going forward.

The Committee has satisfied itself that the remuneration outcomes for 2022 are appropriate and that the Policy has operated as intended.

On behalf of the Committee thank you for reading this report and we look forward to receiving your support at the AGM on 18 May 2023 in relation to approval of the Directors’ Remuneration Report for 2022.



Angeles Garcia-Poveda
Chair of the Remuneration Committee

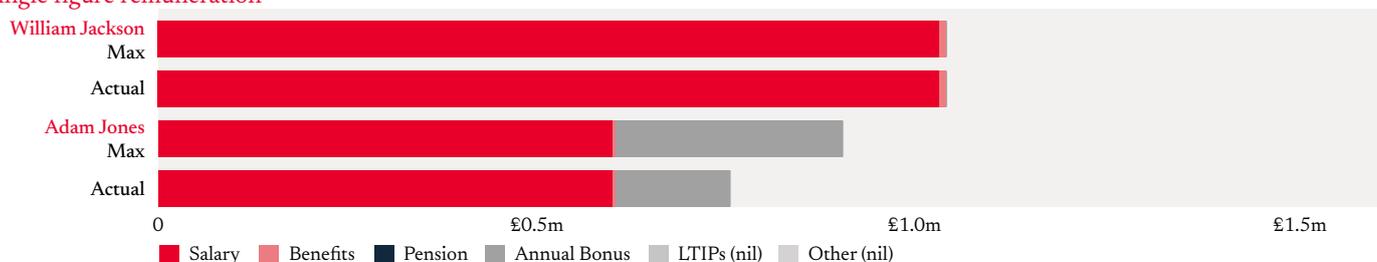
Find out more: [bridgepoint.eu](https://www.bridgepoint.eu)

Annual report on remuneration

Remuneration at a glance

Executive remuneration framework and Policy summary

Single figure remuneration



Component & purpose	Operation under the Policy	Maximum opportunity under the Policy	Outcomes for FY2022	Operation in 2023
Base Salary To help recruit, reward and retain the calibre of talent required to deliver Bridgepoint's strategy.	Reviewed annually with any changes normally effective from the beginning of the financial year.	In considering increases, the Committee assesses the increases applying to the wider workforce as well as local market levels.	The CFO's salary remained unchanged during 2022. The salary of the Chairman was reduced from £890,000 to £800,000 upon his request effective from September 2022.	The salary of the Chairman and the CFO will remain unchanged.
Benefits To provide market competitive benefits and to support the health and wellbeing of Executive Directors.	Benefits currently received by Executive Directors include life assurance, private medical insurance and income protection.	The opportunity is set at the cost of providing the benefits described.	There have been no changes to the Executive Directors' benefit provision this year.	Benefits to operate in line with the Remuneration Policy and align to those available to UK colleagues.
Pension To provide market competitive retirement benefits.	A contribution to the Group Pension Plan or a cash allowance in lieu of pension.	A pension contribution rate in line with the rate applicable to the majority of the workforce in the appropriate country.	The pension contribution rate is currently 10% of salary up to a notional salary of £112,500. There have been no changes this year.	Pension to operate in line with the Remuneration Policy and align to those available to UK colleagues.
Annual Bonus To encourage the improved financial and non-financial performance of the business and to provide alignment with shareholders through the partial deferral of payment into shares.	The annual bonus is determined after the year-end based on performance against targets during the year.	The overall maximum Annual Bonus opportunity under the policy is 200% of salary.	The Annual Bonus payable to the CFO was £124,881. The Chairman does not receive variable compensation.	Annual bonus opportunity remains unchanged from 2022.
Restricted Share Plan Provides alignment of the Executive Directors to shareholders by increasing share ownership and promoting long term value creation.	An annual award of Bridgepoint shares which are subject to a performance underpin. Shares normally vest after 3 years and are subject to a further 2 year holding period.	The overall maximum annual award level is 100% of salary.	The annual award made to the CFO was 50% of salary. The Chairman does not receive variable compensation.	Annual award opportunity remains unchanged from 2022.

Remuneration Policy

During FY2022, we operated under the Directors' Remuneration Policy approved at the AGM on 12 May 2022. The full Remuneration Policy can be found on our corporate website bridgepoint.eu.

Audited information

Total remuneration payable for the year to 31 December 2022

The following table sets out the total remuneration for the Executive Directors and the Non-Executive Directors for the year ended 31 December 2022. The information for 2021 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 Bridgepoint's IPO for work prior to the IPO.

All figures shown in £000	Financial year ended 31 December	Salary and fees	Taxable Benefits ²	Pension ³	Bonus	RSP	Other	Total Fixed Remuneration	Total Variable Remuneration	NED IPO Fees ¹	Legacy Share Allocation (Pre-IPO)	Total
William	2022	860.0	6.8	9.8	–	–	–	876.6	–	–	–	876.6
Jackson	2021	798.8	5.6	9.9	630.0 ⁴	–	72.0 ⁵	814.3	702.0	–	84.8 ⁵	1,601.1
Adam	2022	500.0	3.0	9.8	124.9	–	–	512.8	124.9	–	–	637.7
Jones	2021	415.6	11.7	9.9	292.5 ⁴	–	28.8 ⁵	437.2	321.3	–	33.9 ⁵	792.4
Angeles Garcia-Poveda	2022	95.0	–	–	–	–	–	95.0	–	–	–	95.0
Archie	2021	41.0 ¹	–	–	–	–	–	41.0	–	500.0	–	541.0
Norman	2022	200.0	–	–	–	–	–	200.0	–	–	–	200.0
Dame Carolyn McCall	2021	86.4 ¹	–	–	–	–	–	86.4	–	1,750.0	–	1,836.4
Tim	2022	75.0	–	–	–	–	–	75.0	–	–	–	75.0
Score	2021	32.3 ¹	–	–	–	–	–	32.3	–	500.0	–	532.3
Score	2022	95.0	–	–	–	–	–	95.0	–	–	–	95.0
Score	2021	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-IPO 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 IPO, or one year from leaving (if sooner).
2. Executive Directors receive family private medical insurance, life assurance and income protection. William Jackson also participates in a legacy spouses pension arrangement.
3. Executive Directors have elected to receive a cash allowance in lieu of pension. No Executive Director participates in a defined benefit pension arrangement.
4. William Jackson and Adam Jones received cash bonuses prior to IPO. These amounts related to performance prior to the IPO. No further bonuses were paid in relation to the 2021 financial year.
5. Prior to IPO, 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 vesting and holding periods out to July 2026.

Annual bonus plan

In 2021, prior to IPO, 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.

Details of the 2022 bonus calculation are set out on page 114.

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 2022.

Annual report on remuneration *continued*

Awards in respect of annual performance

Measure	% Weighting	Threshold (20% vesting)	Mid-point (50% vesting)	Stretch (100% vesting)	Achievement	Outcome as a % of max
EBITDA	40%	£154.2m	£164.2m	£174.2m	£165.9m	23.40%
Capital Deployed (selected funds)	15%	€3.27bn	€3.77bn	€4.27bn	€3.4bn	3.75%
Capital Raised	15%	Targets have been deemed to be commercially sensitive by the Board – further details regarding the commercial sensitivities are set out below			€6.5bn	0%
Employee Engagement, Diversity & ESG	15%	See tables below for a detailed summary of performance achieved against objectives set by the Committee at the start of the performance period.			75% of max	11.25%
Business Strategy	15%				77% of max	11.55%
					Total Outcome	49.95%
					Amount payable	£124,881

The Committee determines the annual bonus award for the CFO using a balanced scorecard. At the beginning of 2022, metrics that were 70% financial and 30% non-financial were selected, aligned to the Group's key KPIs.

EBITDA - When determining the outcome for 2022 and as referenced in the Chairman's letter, given the fact that BE VII remains open for investor commitments the Committee decided it should assess the achievement using an adjusted calculation of EBITDA. This adjustment aligned the basis on which the targets had been set by replacing the actual fee income from the BE VII fund with the budgeted level for 2022. This change has not impacted the targets and provides a more relevant assessment of performance for the CFO's bonus calculation.

Capital Deployed (selected funds) - Despite the external environment, Bridgepoint continued to deploy significant capital across all of its strategies. This included BE VII making its first commitment, investing in MiQ, a global leader in programmatic advertising and the final construction of the BE VI portfolio. The Credit funds included are calculated as net of recycled capital.

Capital Raised – Consistent with our general approach, we do not disclose the capital raised for ongoing fundraises due to the potential commercial impact. As set out in the Chairman's statement, we expect to complete fundraising for BE VII, BCO IV, BDL III and BG II during 2023. We will provide full disclosure in next year's report.

Non-financial objectives

Developing and engaging with the Group's workforce through ESG, diversity and employee engagement initiatives:

ESG - Through 2023 we have continued to strengthen the ESG function. In the 18 months to December 2022, we have upgraded our ESG reporting capability, launching new portfolio wide ESG reporting tools and upgrading the process by which we calculate Bridgepoint's carbon emissions.

Diversity - Management have focused on creating more opportunities for inclusion through initiatives including the Women's Mutual Mentoring Programme, role model dinners (sponsored by representatives from the business), D&I committees and our ongoing relationship with Level 20. We continue to ensure diverse shortlists of candidates when recruiting and aim to ensure that our annual associate cohort is at least 50% female, enabling us to build a strong pipeline of future female leaders.

Employee Engagement - The leadership team has worked extensively to improve employee engagement via the implementation of a new company wide listening strategy launched during Q1 of 2022, with further engagement during the year. Key outcomes have been discussed with staff both at an individual and "town hall" level.

The Committee weighted these objectives equally and assessed that the CFO's performance in advancing these three core objectives warranted a 75% of maximum score.

Support the growth and development of the business through strategic and operational initiatives:

Operational Initiatives - Through 2022 we have completed the build-out of our post IPO team and structure. Specifically, we have improved our reporting, shareholder relations and company secretarial capabilities.

Business Development - We have remained proactive in our approach to business development. Through 2023 we have continued to look at opportunities to grow existing strategies, add adjacent products and diversify Bridgepoint's product offering.

The Committee assessed that the CFO's performance in relation to advancing these initiatives and Business Development warranted a 77% of maximum score.

Combining the financial and non-financial results gives a total bonus outcome of 49.95% of maximum bonus opportunity for the CFO. The Committee has determined that the balanced scorecard outcome appropriately reflects the financial and strategic performance delivered.

Incentive awards granted during the year

The following table provides details of the incentive awards granted during the year ended 31 December 2022:

Director	Award	Award Date	Vesting Date	Face Value at Grant	Number of Shares Awarded
Adam Jones	Restricted Share Plan	31 Mar 2022	31 Mar 2025	£250,000	71,428

The Company closely monitored the share price in advance of granting this incentive award and will have discretion at the time of vesting to adjust the outcomes if it is felt that management have benefited from factors outside of their control and that vesting of the award does not reflect performance achieved over the period.

Awards under the Restricted Share Plan will vest subject to the achievement of suitable financial and non-financial performance against the performance underpin as detailed in the Directors' remuneration policy.

The Company's share plans comply with the Investment Association guidance on dilution limits and awards issued will not exceed a limit of 5% in any ten years under all executive share plans and 10% in any ten years under all share plans.

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 2022 are set out below.

Director	Shares held outright at 31 December 2022	Vested shares subject to holding period	Unvested shares subject to holding period	Shareholding requirement (% of salary)	Requirement met ¹
William Jackson ²	511,430	10,630,980	5,599,620	300%	Yes
Adam Jones ²	44,572		4,178,422	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 2022 of £1.96 per share.

2. Including shares held by connected persons, but excluding shares held by Burgundy Investments Holdings LP

On 16 March 2023, Cyrus Taraporevala purchased 60,000 Company shares on-market, and he purchased a further 40,000 shares on 17 March 2023. Otherwise, since 31 December 2022 there have been no changes in the Directors' interest in shares, or those of their connected persons.

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

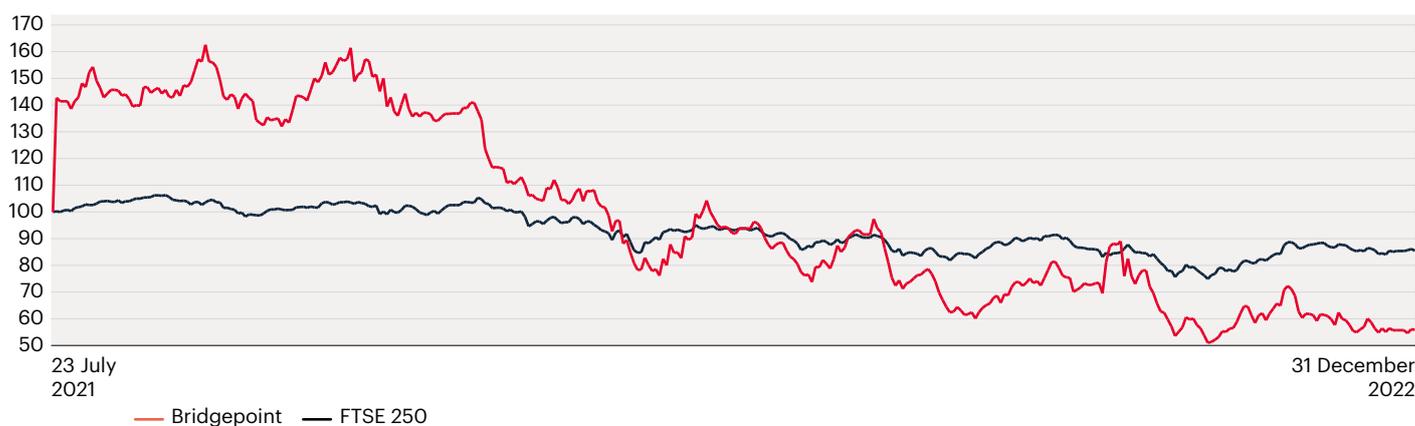
Post-cessation of employment, Executive Directors must retain shares to the value of 300% of salary (or the number of shares held at cessation if lower than 300%) for a period of two years in accordance with the Remuneration Policy.

Annual report on remuneration *continued*

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 2021 to 31 December 2022 against the FTSE 250 index. The FTSE 250 index is considered an appropriate comparison as Bridgepoint is a constituent of the index.



	2021	2022
Chairman single figure total remuneration (£000s)	1,601.1	876.6
Bonus as a % of maximum opportunity	N/A	N/A
Long-term incentive vesting (as % of maximum opportunity)	N/A	N/A

Figures reflect remuneration to 31 December 2022. No long-term incentives have been granted or bonuses awarded to the Chairman under the Directors’ Remuneration Policy to date.

Change in Director and employee remuneration

As the Company was admitted to trading on the London Stock Exchange on 26 July 2021, there is no comparable remuneration to disclose for the prior year. Full disclosure of the percentage change for Director and employee remuneration, in line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, will commence in next year’s report.

Chairman pay ratio

UK regulations require companies with more than 250 UK employees to publish the ratio of the Chairman 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
2022	A	8:1	5:1	3:1

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

Figures shown in £000s	Chairman	Lower Quartile	Median	Upper Quartile
Basic salary	860.0	65.8	95.0	163.8
Total pay	876.6	106.2	182.7	343.9

The employee pay figures were calculated by reference to the year to 31 December 2022, which is consistent with the period used for the Single Total 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 2022. 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 and 2022.

	FY2021 £ m	FY2022 £ m	% Change
Distributions to shareholders	60	66	10%
Aggregate personnel expenses	132.7	126.9	-4.4%

FY 2022 distributions to shareholders include the final dividend for the year ending 31 December 2022 and a dividend of £33 million which was paid to qualifying shareholders in September 2022. Aggregate personnel expenses are as set out on page 160 of this Annual Report.

Implementation of policy in 2023

Executive Director remuneration

Base salary

Base salary levels will be as follows:

- Chairman: £800,000
- Chief Financial Officer: £500,000

At the request of the Chairman the Committee approved a permanent reduction in his base salary from £890,000 to £800,000.

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 assurance 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 2023, as the 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 at 70% and 30% of the bonus opportunity, respectively. The Committee reviewed the operation for the 2022 bonus plan, which was the first full year as a listed company and has split the EBITDA measure into fee related earnings and investment income to enable separate weighting to be provided to each element, and included a cash measure. All of these elements will be measured on a normalised basis. In addition, the Committee felt that the capital measures were better placed as part of the strategic objectives with a lower weighting, given the CFO's focus.

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 Remuneration Policy, as set out on page 113.

Restricted share awards

A restricted share award will be made to Adam Jones following the announcement of the annual results. The award will be valued at 50% of salary and 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

A summary of the Non Executive Directors' fees are shown below:

Non-Executive Director	2023 Fee
Senior Independent Director's fee	£125,000
Non-Executive Director base fee	£75,000
Audit and Risk Committee Chair's fee	£20,000
ESG Committee Chair's fee	£20,000
Remuneration Committee Chair's fee	£20,000
Committee membership fee	£7,000

Directors' service contracts and letters of appointment

Name	Date of appointment	Date of current contract	Notice from 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
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
Cyrus Taraporevala	1 January 2023	23 November 2022	3 months	3 months

Further details regarding the above can be found in the Directors' Remuneration Policy.

Governance of remuneration

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 (including all material risk takers). 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 [bridgepoint.eu](https://www.bridgepoint.eu).

The Remuneration Committee is responsible for:

- determining and developing the remuneration policy which applies to the 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

During 2022 the Committee comprised of the three independent Non-Executive Directors listed below. The Remuneration Committee Chair, Angeles Garcia-Poveda, has eight years' experience chairing other remuneration committees. The Committee will meet at least three times a year.

The membership of the Committee changed in January 2023 when Cyrus Taraporevala joined the Committee. Dame Carolyn McCall stood down from the Committee from 1 January 2023.

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

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 IPO, such as the base salary levels for the Executive Directors;
- set the KPIs for the Executive Directors;
- determined Executive Director awards and reviewed awards payable to all material risk takers and control staff;
- reviewed annual bonus metrics ahead of 2023 to ensure they appropriately align with business strategy and promote the correct behaviours;
- received and debated briefings on the operation of remuneration arrangements throughout the Group; and
- planned the cycle of work for 2023.

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

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.

Effectiveness

The operations of the Committee were reviewed as part of the internal Board evaluation led by Archie Norman during 2022; the Committee was found to be operating effectively. For more details of this exercise, please see page 100.

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. 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 during 2022 were £68,210. Other than Remuneration Consultancy, Korn Ferry provided no other advice or services to the Company during the year.

Resolution	Votes for	%	Votes against	%	Total votes cast (excluding withheld votes)	Votes withheld
Directors' Remuneration Report for 2021 (2022 AGM)	744,090,250	99.68%	2,379,353	0.32%	746,469,603	62,838,762
Directors' Remuneration Policy (2022 AGM)	747,619,996	99.74%	1,975,439	0.26%	749,595,435	59,712,930

Directors' report and additional disclosures

The Directors present their report for the year ended 31 December 2022. 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 2022 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 numbers
Likely future developments of the business of the Group	Strategic Report	24 - 27
Stakeholder engagement (including employee engagement)	Strategic Report	28 - 32
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The Directors' Report, together with the Strategic Report on pages 4 to 83, 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 third party indemnity provisions under section 234 of the Companies Act 2006. All such indemnities were in force during 2022, other than that for Cyrus Taraporevala, which took effect upon his appointment.

Political donations

It is not the policy of the Company to make political donations as contemplated by the Companies Act 2006 and, during 2022, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred.

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 to 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 56.

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 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 23 March 2023, the issued share capital was 819,998,501 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 2022, the Company had been notified pursuant to DTR 5 or otherwise was aware at the time of the IPO of the following interests representing 3% or more of the voting rights of the Company’s ordinary shares:

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	75,477,698	9.17%
T. Rowe Price Associates, Inc.	45,130,992	5.48%
The Capital Group Companies, Inc.	41,939,868	5.09%

Between 31 December 2022 and 23 March 2023, being the latest practicable date before the publication of this Annual Report, the Company received no further notifications under DTR 5.

Directors' report and additional disclosures *continued*

Rights and restrictions attaching to ordinary shares

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% 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.

Ordinary shares have attached to them full dividend and capital distribution (including on winding up) rights, but do not confer any rights of redemption.

Holders of deferred shares shall not be entitled to vote or receive any notice convening a general meeting of the Company, and shall not be entitled to receive any dividends or other distributions or to participate in any return of capital (other than to receive the nominal value of such shares in a liquidation after all other shares have received £1 million per share). They do not confer any rights of redemption.

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

The Articles of the Company do not contain any restrictions on the transfer of 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.

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.

Pursuant to a reorganisation agreement entered into by, among others, Burgundy A1 Nominees Limited, Burgundy A2 Nominees Limited, Burgundy A3 Nominees Limited, Burgundy A4 Nominees Limited, Burgundy A5 Nominees Limited, Burgundy B1 Nominees Limited, Burgundy B2 Nominees Limited, Burgundy C Nominees Limited (the foregoing being the "Nominee Companies"), the Company and various pre-IPO shareholders (being current or former employees of the Group or certain related persons of such persons) (the "Management Shareholders"), the Nominee Companies hold shares in the Company on behalf of the Management Shareholders. Pursuant to the terms of the agreement, the Management Shareholders are subject to restrictions on their ability to dispose of their underlying shares for a period of up to five years from the IPO. As at 31 December 2022, below is the schedule for the remaining releases of shares from these lock-up restrictions:

Date	Shares released from lock-up
July 2023	3,039,326
July 2024	81,734,187
July 2025	81,734,187
July 2026	192,459,135

Save as described above, 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 the annual general meeting held on 12 May 2022, 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% of the Company's issued ordinary share capital. As at 23 March 2023, 3,270,273 shares have been purchased under this authority, and the authority will expire at the conclusion of the 2023 AGM or, if earlier, at the close of business on 31 July 2023. The Directors are seeking the renewal of this authority at the 2023 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 the usual provisions for payment in lieu of notice.

By order of the Board:



David Plant
Group Company Secretary

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 112 to 113 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 2022.

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 Chief Financial Officer
and Chief Operating Officer

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 2022 which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and 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 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 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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;
- 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;
- Assessing the sensitivity of the forecasts and conclusions to key assumptions; and
- Obtaining an understanding of the financing facilities available to the Group and reviewing the compliance with related covenants;
- Assessed the sensitivity of the forecasts and conclusions to key assumptions; and
- Assessing the appropriateness of risk factors disclosed in the Group's going concern 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 Bridgpoint 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
<p>Recognition of revenue arising from management and other fees</p> <p>In the Consolidated Statement of Profit or Loss, management and other fees total £241.5 million (2021: £197.7 million).</p> <p>Refer to the Audit and Risk Committee Report (pages 102-109); Accounting policies (pages 145-153); and Note 5 of the Financial Statements (pages 159-160).</p> <p>The Group is entitled to management and other fees arising from its performance of investment management and related services to Bridgpoint funds and third parties. Management fees are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage. Other fees include fees and commissions relating to services provided to third parties.</p> <p>Auditing standards presume there is a risk of fraud associated to revenue recognition. We have concluded that due to the manual nature of the process, that risk is associated to the incorrect calculation of management fees and other fees.</p>	<p>Our audit procedures</p> <p>For our audit of management fees we selected a sample of those funds generating management fee income based on fund strategy and significance relative to materiality. We tested 90% of the related amount and the principal procedures were:</p> <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - 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 <p>For our audit of other fees we gained an understanding of the business rationale for the revenue stream and tested the balance to supporting evidence including contractual terms, evidence of performance obligations being met, invoices and proof of payment.</p> <p>Our observations</p> <p>Based on the results of audit work performed we consider the methodologies and assumptions used by management to determine the revenue recognition of management and other fees under IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”) to be reasonable.</p>

Key Audit Matter

Valuation of private equity and credit funds

In the Consolidated Statement of Financial Position, the fair value of fund investments, excluding unconsolidated CLOs, is £257.9 million (2021: £275.7 million).

Refer to the Audit and Risk Committee Report (pages 102-109); Accounting policies (pages 145-153); and Notes 16 and 17 of the Financial Statements (pages 167-170 and pages 176-186).

The proprietary investment portfolio comprises unquoted securities, including interests in private equity and credit fund investments (which are held directly by consolidated subsidiaries of the Group), 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 valuation techniques used to determine the fair value of investments held by the funds involve a high degree of estimation uncertainty, including the impact of climate change. Therefore, there is a risk of error in the determination of the fair value of these investments that could lead to a misstatement in the fair value of the investments in those funds.

How our scope addressed this matter

Our audit procedures

We addressed this risk through performing the following audit work:

- Performing walkthroughs to develop an understanding of the procedures and controls associated with valuation of investments and evaluating the design and implementation 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 and Risk Committee and the relevant Valuation Committees;
- 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 underlying portfolio companies held by the funds (look-through procedures), with the assistance of our valuation specialists:
 - evaluating the appropriateness of the valuation methodology used and obtaining an understanding of the key assumptions (including the impact of climate change); and agreeing key inputs into the valuation models to source data and assessing the mathematical accuracy of the valuation models.

Our observations

Based on the results of audit work performed we considered the 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 Fair Value Measurement (“IFRS 13”).

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

Key Audit Matter

Valuation of financial liabilities at fair value arising from the consolidated CLOs

In the Consolidated Statement of Financial Position, the fair value of consolidated CLO liabilities is £600.1 million (2021: £242.9 million).

Refer to the Audit and Risk Committee Report (pages 102-109); Accounting policies (pages 145-153); and Notes 17 and 19 of the Financial Statements (pages 171-174 and pages 176-186).

The Group consolidates its investment in certain CLO vehicles. As a result, the CLO notes held by third parties are consolidated as financial liabilities at fair value through profit or loss. The valuation techniques used involve a higher degree of estimation uncertainty, which we assessed has a risk of material error. The Group applies the residual valuation approach to account for the inherent asymmetry between the assets and liabilities resulting from the consolidation of the CLO notes.

How our scope addressed this matter

Our audit procedures

We addressed this risk through performing the following audit work:

- Performing walkthroughs to develop an understanding of the procedures and controls associated with the valuation of CLO notes and evaluated the design, implementation of the relevant controls in place. This includes inquiry of management about the valuation governance structure and protocols around their oversight of the valuation process, including evidencing the oversight from the Audit and Risk Committee and the relevant Valuation Committees.
- Evaluating management's paper on the accounting treatment of the asymmetry observed between the consolidated CLO assets and liabilities and the reasonableness of using the residual value approach in valuing the CLO Notes.
- Verifying the inputs in the residual value approach to the audit work performed on the consolidated CLO assets, cash and trades pending settlement.
- With the assistance of our valuation specialists, challenging the valuations of the CLO notes held by the Group, through a series of tests which included:
 - Assessing the methodology used in determining fair value;
 - Comparing management's cash flow modelling with one of the market standard tools set up based on CLO documentation and trustee reports; and
 - Assessing the assumptions used in management's model (recovery rate, prepayments, default and yield).

Our observations

Based on the results of audit work performed, we consider the valuation of the financial liabilities arising from the consolidated CLO is deemed to be reasonable and comply with the fair value principles outlined in IFRS 13.

Key Audit Matter

Recognition of carried interest income and measurement of carried interest receivable

In the Consolidated Statement of Profit or Loss, carried interest income totals £24.2 million (2021: £14.3 million). In the Consolidated Statement of Financial Position, carried interest receivable amounts to £42.0 million (2021: £38.9 million).

Refer to the Audit and Risk Committee Report (pages 102-109); Accounting policies (pages 145-153); and Notes 5 and 15 of the Financial Statements (pages 159-160 and page 167).

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.

Carried Interest is calculated as a contractual percentage of a fund's return, once a specified hurdle rate is expected to be met. These amounts are specified in the underlying contract between the fund and the Group in its capacity as investment manager. Carried Interest are only received when a triggering event, such as a realisation of a fund's investment, occurs. In respect of Carried interest, management must apply judgment in accordance with IFRS 15 to determine whether it is highly probable that a significant reversal will not occur in the future.

The following are identified as the key risks or judgments in respect to the recognition of carried Interest:

- inappropriate judgments are made by management in the calculations, including whether a constraint is applied and the forecast exit dates of the underlying investments;
- errors made in complex manual calculation models; and
- inappropriate inputs used by management in the calculations.

The accuracy and recognition of revenue is important to the Group's financial statements. Stakeholder expectations may place pressure on management to influence the recognition of revenue. This may result in overstatement or deferral of revenue to assist in meeting current or future revenue targets or expectations.

How our scope addressed this matter

Our audit procedures

We tested 100% of the balance. We addressed this risk through performing the following audit work:

- Performing walkthroughs to develop an understanding of the procedures associated with recognition and measurement of carried interest and evaluating the design and implementation of the relevant controls;
- Assessing the appropriateness of the accounting policy associated with the recognition of carried interest;
- For a sample of 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;
 - Recalculating the value of the carried interest receivable; and
 - Inquiring about any ongoing negotiations on investment exits and assessing their impact on the discount applied for the recognition of related carried interest accruals.
- Ensuring management included appropriate disclosures in relation to significant assumptions and sensitivities.

Our observations

Based on the results of audit procedures performed we considered the recognition of carried interest to be in accordance with IFRS 15. All calculations tested have been performed materially in accordance with contractual terms.

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

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	£6.4 million
How we determined it	5% of profit before tax, as reported in the Consolidated Statement of Profit or Loss
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.
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. Having considered the knowledge of the Group's operations and controls in the prior year's audit, we set performance materiality at 60% of overall materiality, an increase from the 50% used in the FY21 audit.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £0.2 million, 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 £3.8m, all being below the level of overall materiality that was set for the Group.

Parent Company materiality

Overall materiality	£6.4 million
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 a holding entity with no material liabilities.
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, our performance materiality is set at £3.8 million, which represents 60% of overall materiality.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £0.2 million, 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, Opal Investments LP, Bridgepoint Credit Holdings Limited, Bridgepoint Advisers Limited, Bridgepoint Advisers II Limited, Bridgepoint Advisers UK Limited, Bridgepoint Credit Advisers UK Limited, Bridgepoint Credit Opportunities III GP LP, Bridgepoint CLO 1 DAC, Bridgepoint CLO 3 DAC, Bridgepoint CLO 4 DAC, and the Parent Company, Bridgepoint Group plc, were subject to a full scope audit performed by the Group audit team. In addition, Mazars component auditors performed a full scope audit of Bridgepoint SAS, Bridgepoint Direct Lending II GP S.à r.l., Bridgepoint Direct Lending III GP S.à r.l. and BCLO Credit Investments I S.à r.l., and specified procedures on Bridgepoint LLC.

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.

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.

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

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 51-53;
- 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 51-53;
- Directors' statement on fair, balanced and understandable, set out on page 126;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 79-83;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, set out on pages 78-79; and
- The section describing the work of the Audit and Risk Committee, set out on pages 102-109.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 126, 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: UK Bribery Act, UK Corporate Governance Code, 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, and 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;
- Critically assessing accounting estimates impacting amounts included in the financial statements for evidence of management bias;
- Considering significant transactions outside of the normal course of business. Our approach included management inquiry, review of the Board minutes, review of correspondences with regulators and analytical review to identify significant movements on transactions and balances and substantively testing the transaction and related disclosure, where applicable;
- Reviewing the journal entry process to evaluate its effectiveness and appropriateness, including an assessment of the level of segregation of duties and a risk-based selection of journals based on what we considered as high-risk criteria using a data analytics tool and testing these against supporting documentation and obtaining management explanations; and
- Obtaining an understanding of the rationale for and testing related party transactions and balances.

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 and 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 two years, covering the years ended 31 December 2021 and 31 December 2022.

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 and 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 Parent 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 Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared Annual Financial Report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ("ESEF RTS"). This auditor's report provides no assurance over whether the Annual Financial Report has been prepared using the single electronic format specified in the ESEF RTS.

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

Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU

23 March 2023

Consolidated Statement of Profit or Loss

for the year ended 31 December

	Note	2022 £ m	2021 £ m
Management and other fees	5	241.5	197.7
Carried interest	5	24.2	14.3
Fair value remeasurement of investments	5	40.7	56.9
Other operating income	5	1.0	1.7
Total operating income	5	307.4	270.6
Personnel expenses	6	(126.9)	(132.7)
Other operating expenses	7	(44.5)	(53.7)
Foreign exchange gains		1.1	1.1
EBITDA*		137.1	85.3
Depreciation and amortisation expense	9	(18.3)	(15.0)
Total operating profit		118.8	70.3
Other income	10	16.5	4.2
Other expenses	10	(7.9)	(11.9)
Profit before tax*		127.4	62.6
Tax expense	11	(6.8)	(4.8)
Profit after tax		120.6	57.8
Attributable to:			
Equity holders of the parent		120.6	57.8
		£	£
Basic and diluted earnings per share	12	0.15	0.16

* Exceptional expenses of £3.2m (2021: £28.6m) are included in EBITDA. Profit before tax includes exceptional expenses of £3.2m (2021: £28.6m) and exceptional income of £13.6m (2021: £3.8m). Details of exceptional items are included in note 8.

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	Note	2022 £ m	2021 £ m
Profit after tax		120.6	57.8
Items that may be reclassified to the statement of profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		11.3	(3.6)
Change in the fair value of hedging instruments		(10.5)	12.8
Reclassifications to the Consolidated Statement of Profit or Loss	19 (b)	(5.9)	(1.6)
Total tax on components of other comprehensive income	11 (c)	3.3	(2.1)
Other comprehensive (expense)/income net of tax		(1.8)	5.5
Total comprehensive income net of tax		118.8	63.3
Total comprehensive income attributable to:			
Equity holders of the parent		118.8	63.3

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December

	Note	2022 £ m	2021 £ m
Assets			
Non-current assets			
Property, plant and equipment	13	85.5	75.8
Goodwill and intangible assets	14	119.6	122.6
Carried interest receivable	15	42.0	38.9
Fair value of fund investments	16 (a), (b)	273.0	313.7
Trade and other receivables	16 (a), (e)	19.9	16.9
Total non-current assets		540.0	567.9
Current assets			
Consolidated CLO assets*	16 (a), (c)	741.3	286.8
Trade and other receivables	16 (a), (e)	184.9	88.2
Derivative financial assets	16 (a), (d)	1.0	9.9
Cash and cash equivalents	16 (a), (f)	196.0	323.1
Term deposits with original maturities of more than three months	16 (a), (f)	100.0	–
Consolidated CLO cash*	16 (a), (f)	24.6	4.2
Total current assets		1,247.8	712.2
Total assets		1,787.8	1,280.1
Liabilities			
Non-current liabilities			
Trade and other payables	17 (a), (b)	13.6	43.5
Other financial liabilities	17 (a), (d)	49.5	46.9
Fair value of consolidated CLO liabilities*	17 (a), (e)	597.5	241.4
Lease liabilities	17 (a), 18	77.1	80.8
Deferred tax liabilities	21	19.4	19.7
Total non-current liabilities		757.1	432.3
Current liabilities			
Trade and other payables	17 (a), (b)	115.5	90.2
Lease liabilities	17 (a), 18	6.1	4.0
Derivative financial liabilities	17 (a), (g)	13.2	–
Consolidated CLO liabilities*	17 (a), (e)	2.6	1.5
Consolidated CLO purchases awaiting settlement*	17 (a), (f)	120.6	35.8
Total current liabilities		258.0	131.5
Total liabilities		1,015.1	563.8
Net assets		772.7	716.3
Equity			
Share capital	22 (a)	0.1	0.1
Share premium	22 (a)	289.8	289.8
Share-based payment reserve	22 (e)	3.6	3.2
Cash flow hedge reserve	22 (c)	(8.9)	7.5
Net exchange differences reserve	22 (d)	14.4	3.1
Retained earnings		473.7	412.6
Total equity		772.7	716.3

* Details of the Group's interest in consolidated Collateralised Loan Obligations ("CLOs") are included in note 16 (c). The equity holders' exposure in the consolidated CLOs is £45.2m at 31 December 2022 (2021: £12.3m). The Group's investment in CLOs which are not consolidated is £15.1m (2021: £38.0m) and is included within fair value of fund investments. A non-statutory Consolidated Statement of Financial Position, excluding consolidated CLOs is presented on page 202.

The financial statements of Bridgpoint Group plc (company registration number: 11443992), which include the notes, were approved and authorised by the Board of Directors on 23 March 2023 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 2022		0.1	289.8	–	3.2	7.5	3.1	412.6	716.3	–	716.3
Profit for the year		–	–	–	–	–	–	120.6	120.6	–	120.6
Other comprehensive loss		–	–	–	–	(16.4)	11.3	3.3	(1.8)	–	(1.8)
Total comprehensive income		–	–	–	–	(16.4)	11.3	123.9	118.8	–	118.8
Share-based payments	22 (e)	–	–	–	0.4	–	–	–	0.4	–	0.4
Dividends	23	–	–	–	–	–	–	(62.8)	(62.8)	–	(62.8)
At 31 December 2022		0.1	289.8	–	3.6	(8.9)	14.4	473.7	772.7	–	772.7

	Notes	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		–	289.3	–	3.2	–	–	–	292.5	–	292.5
Share capital reorganisation		(240.8)	–	(24.6)	–	–	–	265.4	–	–	–
Dividends	23	–	–	–	–	–	–	(30.0)	(30.0)	–	(30.0)
Movement in non-controlling interests		–	–	–	–	(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

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December

	Note	2022 £ m	(Restated) 2021 £ m
Cash flows from operating activities			
Cash generated from operations	24 (a)	35.6	6.1
Tax paid		(1.7)	(1.4)
Net cash inflow from operating activities		33.9	4.7
Cash flows from investing activities			
Investment in term deposits with original maturities of more than three months	16 (f)	(100.0)	–
Receipts from investments (non-CLO)	15, 16 (b)	74.3	69.0
Purchase of investments (non-CLO)	15, 16 (b)	(41.2)	(86.9)
Interest received (non-CLO)		3.3	1.0
Investments in non-consolidated CLOs		(8.7)	–
Payments for property, plant and equipment	13	(22.6)	(6.3)
Cash acquired on consolidation of intermediate fund holding entities		1.2	–
Receipts from investments (consolidated CLOs)		156.9	113.3
Purchase of investments (consolidated CLOs)		(166.1)	(281.2)
Cash movements from the consolidation of CLOs		45.6	–
Net cash flows from investing activities		(57.3)	(191.1)
Cash flows from financing activities			
Receipt from non-controlling interest		–	114.3
Proceeds from issue of shares by subsidiary		–	4.7
Proceeds from issue of shares by the Company	22 (a)	–	305.1
IPO costs	8 (b)	(1.8)	(18.0)
Dividends paid to shareholders of the Company	23	(62.8)	(30.0)
Drawings on banking facilities		–	49.2
Repayment of banking facilities		–	(146.9)
Drawings from related party investors in intermediate fund holding entities		3.8	4.0
Principal elements of lease payments		(4.1)	(6.8)
Drawn funding (consolidated CLOs)		–	65.4
Repayment of CLO borrowings (consolidated CLOs)		(15.3)	(1.4)
Receipts from sale and repurchase of holdings in non-consolidated CLOs	17 (d)	–	28.1
Cash from CLO investors (consolidated CLOs)		(1.7)	3.3
Interest paid (non-CLO)		(4.7)	(5.9)
Net cash flows from financing activities		(86.6)	365.1
Net (decrease)/increase in cash and cash equivalents		(110.0)	178.7
Total cash and cash equivalents at the beginning of the year		327.3	157.1
Effect of exchange rate changes on cash and cash equivalents		3.3	(8.5)
Total cash and cash equivalents at the end of year		220.6	327.3
Cash and cash equivalents (for use within the Group)	16 (f)	196.0	323.1
Consolidated CLO cash (restricted for use within relevant CLO)	16 (f)	24.6	4.2
Total cash and cash equivalents at the end of year		220.6	327.3

1. The Group's cash flows from operating activities, investing activities and financing activities for the financial year ended 31 December 2021 have been restated. Further details are provided in note 1 on page 144.
2. The Consolidated Statement of Cash Flows includes the cash flows of consolidated CLOs. A non-statutory Consolidated Statement of Cash Flows excluding the impact of consolidating CLOs, which has not been audited, is included on page 203.

The notes to the accounts form an integral part of these financial statements.

Company Statement of Financial Position

as at 31 December

	Note	2022 £ m	(Restated) 2021 £ m
Assets			
Non-current assets			
Investments in subsidiaries	27	1,023.0	1,022.6
Deferred tax assets	21	0.4	1.1
Total non-current assets		1,023.4	1,023.7
Current assets			
Trade and other receivables	16 (a), (e)	20.3	106.5
Cash and cash equivalents	16 (a), (f)	114.0	159.0
Term deposits with original maturities of more than three months	16 (a), (f)	50.0	–
Total current assets		184.3	265.5
Total assets		1,207.7	1,289.2
Liabilities			
Current liabilities			
Trade and other payables	17 (a), (b)	1.1	23.1
Total liabilities		1.1	23.1
Net assets		1,206.6	1,266.1
Equity			
Share capital	22 (a)	0.1	0.1
Share premium	22 (a)	289.8	289.8
Share-based payment reserve	22 (e)	3.6	3.2
Merger reserve	22 (f)	571.4	571.4
Retained earnings		341.7	401.6
Total equity		1,206.6	1,266.1

1. The Company's investments in subsidiaries and merger reserve as at 31 December 2021 have been restated. Further details are provided in note 1 on page 144.

The Company's total profit for the year was £2.9m (2021: loss of £24.3m).

The notes to the accounts form an integral part of these financial statements.

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	Merger reserve £ m	Retained earnings £ m	Total equity £ m
At 1 January 2022		0.1	289.8	–	3.2	571.4	401.6	1,266.1
Profit for the year		–	–	–	–	–	2.9	2.9
Other comprehensive income		–	–	–	–	–	–	–
Total comprehensive expense		–	–	–	–	–	2.9	2.9
Share-based payments	22 (e)	–	–	–	0.4	–	–	0.4
Dividends	23	–	–	–	–	–	(62.8)	(62.8)
At 31 December 2022		0.1	289.8	–	3.6	571.4	341.7	1,206.6

	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Merger 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 income		–	–	–	–	–	(24.3)	(24.3)
Share capital issuance	22 (a)	–	289.3	–	3.2	–	–	292.5
Share capital reorganisation		(240.8)	–	(24.6)	–	571.4	265.4	571.4
Dividends	23	–	–	–	–	–	(30.0)	(30.0)
At 31 December 2021 (Restated)		0.1	289.8	–	3.2	571.4	401.6	1,266.1

The notes to the accounts form an integral part of these financial statements.

Company Statement of Cash Flows

for the year ended 31 December

	Note	2022 £ m	(Restated) 2021 £ m
Cash flows from operating activities			
Cash generated from operations	24	66.3	(107.5)
Net cash flows from operating activities		66.3	(107.5)
Cash flows from investing activities			
Investment in term deposits with original maturities of more than three months		(50.0)	–
Interest received		1.5	–
Net cash flows from investing activities		(48.5)	–
Cash flows from financing activities			
Proceeds from issue of shares of the Company		–	305.1
IPO costs		–	(18.0)
Dividends paid to shareholders of the Company	23	(62.8)	(30.0)
Net cash flows from financing activities		(62.8)	257.1
Net (decrease)/increase in cash and cash equivalents		(45.0)	149.6
Cash and cash equivalents at the beginning of the year		159.0	9.4
Effect of exchange rate changes on cash and cash equivalents		–	–
Cash and cash equivalents at the end of year	16 (f)	114.0	159.0

1. The Company's cash flows from operating activities and financing activities for the financial year ended 31 December 2021 have been restated. Further details are provided in note 1 on page 144.

The notes to the accounts form an integral part of these financial statements.

Notes to the consolidated and Company financial statements

1 General information and basis of preparation

General information

Bridgpoint Group plc (the “Company”) is a public company limited by shares, incorporated, domiciled and registered in England and Wales. The Company’s registration number is 11443992 and the address of its registered office is 5 Marble Arch, London, W1H 7EJ.

The principal activity of the Company and entities controlled by the Company (collectively, 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 consolidated financial statements for the year ended 31 December 2022 comprise the financial statements of the Group and the Company.

The consolidated financial statements of the Group and the Company’s financial statements have been prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value through profit and loss.

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 international accounting standards 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.

Adoption of new and revised standards and interpretations

During the year, the following amendments to existing standards and interpretations issued by the International Accounting Standards Board (“IASB”) became effective. These do not have a material impact on the Group or Company’s financial statements:

- Amendments to IFRS 3 “Business Combinations”: reference to the Conceptual Framework
- Amendments to IAS 16 “Property, Plant and Equipment”: proceeds before intended use
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”: onerous contracts – cost of fulfilling a contract
- Annual Improvements to IFRS 2018–2020

The Group has not early adopted any 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 when it becomes effective on 1 January 2024. The impact of this standard on the Group’s financial statements is currently being considered, but is unlikely to be material.

Changes to comparative period financial information

The following changes have been made to the comparative period presented within these financial statements:

- Receipts from sale and repurchase of the Group’s holding in CLOs of £28.1m have been reclassified from investing activities to financing activities in the Consolidated Statement of Cash Flows. There is no impact on net cash flows for the period;
- IPO costs of £18.4m have been reclassified from financing activities to operating activities in the Consolidated Statement of Cash Flows to bifurcate the cash flows in a similar manner to how the costs had been classified within the Consolidated Statement of Profit or Loss and Consolidated Statement of Changes in Equity. There is no impact on net cash flows for the period;
- IPO costs of £18.0m have been reclassified from financing activities to operating activities in the Company Statement of Cash Flows to bifurcate the cash flows in a similar manner to how the costs had been classified within the Company Statement of Profit or Loss and the Company Statement of Changes in Equity. There is no impact on net cash flows for the period; and
- Investments in subsidiaries and merger reserve have been increased by £571.4m in the Company Statement of Financial Position to record the fair value of shares acquired in the Company’s immediate subsidiary as part of the restructuring ahead of the Company’s IPO. There is no impact on the distributable reserves of the Company.

The above changes were prompted by an inquiry from the Corporate Reporting Review team of the FRC as part of its regular review and assessment of the quality of corporate reporting in the UK. They requested further information in relation to the Company's 2021 Annual Report and Accounts, as explained further in the Audit and Risk Committee report on page 106. The Company agreed to make the above changes within its 2022 financial statements.

The FRC's review is limited to the published 2021 Annual Report and Accounts; it does not benefit from a detailed understanding of underlying transactions and provides no assurance that the Annual Report and Accounts are correct in all material respects.

Going concern

The consolidated 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 a period of at least 12 months from the date of issue of these financial statements 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 on pages 51 to 53.

Company financial statements

As permitted by section 408 of the Companies Act 2006, the Statement of Profit or Loss and the Statement of Comprehensive Income of the Company are not presented as part of these financial statements. The Company's profit for the year amounted to £2.9m (2021: loss of £24.3m).

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. All intra-group balances and transactions with subsidiaries are eliminated upon consolidation.

Notes to the consolidated and Company financial statements *continued*

When the Group consolidates an entity which has an interest held by a third party, it assesses whether the third party's interest represents equity or a financial liability. To determine this classification, the substance of the contractual terms of the financial instrument is taken as an indicator of whether the third party's interest is debt or equity. If a pre-agreed profit share percentage that is contractually defined within relevant limited partnership agreements is present, the Group recognises a contractual obligation to settle in cash, and, therefore, the interest is classified as debt and fair valued through profit and loss. In the case where the contract results in a residual interest in the assets of the investee after deducting all of the investee's liabilities, a non-controlling interest is recognised within equity. More details are provided in note 17 (d).

(b) Foreign currencies

Presentation currency

The financial statements are presented in pound sterling, which is the Company's functional currency and also the presentational currency for the Company and Group.

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.

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. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate on the date of the transaction.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentational currency are translated into the presentational currency of the Group 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 statement of profit or loss presented are translated at opening spot rate for the month; and
- all resulting exchange differences are recognised in other comprehensive income.

(c) Operating income

Operating income primarily comprises management and other 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 and other fees

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

Management fees are recognised over the life of each fund, generally 10 to 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 relevant limited partnership agreement and are either billed semi-annually or quarterly in advance or arrears.

Other fees may also comprise fees and commissions relating to provision of services to third parties.

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 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 remeasurement 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 are recognised in the Consolidated Statement of Profit or Loss on an accruals basis.

(d) Deferred acquisition costs

Professional costs, particularly legal and other adviser costs, are incurred when raising a new fund. The limited partnership agreement 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 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.

Details are provided within note 16 (e).

(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.

Notes to the consolidated and Company financial statements *continued*

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 Consolidated Statement of Profit or Loss 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 other income, other expenses and taxes. Operating profit is an alternative performance measure and a non-IFRS measure.

(h) Leases

Leases for office premises

The Group has applied IFRS 16 "Leases" where the Group has 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.

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 liabilities.

Assets are recorded initially at cost and depreciated on a straight-line basis over the length of the contractual lease term. Cost is defined as the lease liabilities recognised plus any initial costs and dilapidation 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 Consolidated Statement of Financial Position.

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 in the sublease is recognised in profit and 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) Other income and expenses

Other income comprises interest earned on cash and term deposits, finance income on sublease agreements and the impact of the remeasurement of the deferred contingent consideration payable under the sale and purchase agreement and associated unwind of the discount for EQT AB.

Other expenses comprise interest on interest-bearing liabilities, finance expenses on lease liabilities and amounts due to related party investors in Opal Investments LP and BE VI (French) Co-Invest LP under the limited partnership agreements.

Interest income and expense is recognised using the effective interest rate method. Recurring fees and charges levied on committed bank facilities are charged to the Consolidated Statement of Profit or Loss as accrued. Credit facility arrangement fees are capitalised and amortised to the Consolidated Statement of Profit or Loss using the effective interest method over the term of the facility.

(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 statement of profit or loss and disclosed separately to give a clearer presentation of the Group's underlying financial performance. In considering the nature of an exceptional item, management's assessment includes, both individually and collectively, each of the following:

- whether the item is outside of the principal activities of the business;
- the specific circumstances which have led to the item arising;
- the likelihood of recurrence; and
- if the item is likely to recur, whether the item is unusual by virtue of its size.

(k) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the current or prior reporting periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Current tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity. In this case, current tax is also recognised in other comprehensive income or directly in equity accordingly.

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 Consolidated Statement of Profit or Loss, 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 equity, or to other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

Notes to the consolidated and Company financial statements *continued*

(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	Useful life
Computers, furniture and other	3 to 6 years
Leasehold improvements	Over the shorter of their useful economic life or the lease term
Property right-of-use assets	Over the contractual lease term

The loss to reduce the carrying amount of any assets that are impaired is recognised within the Consolidated Statement of Profit or Loss 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 Consolidated 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 expense” within the Consolidated Statement of Profit or Loss.

(m) Intangible assets

Intangible assets, which constitute 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 expense” in the Consolidated Statement of Profit or Loss.

(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 Consolidated Statement of Profit or Loss. 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 statement of profit or loss.

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 Consolidated Statement of Profit or Loss. No reversals of impairment are recognised. Impairment triggers could include the loss of a fund management contract or a failure to raise a new fund.

Third party interest arises when the Group’s interest only constitutes a portion of the total with the rest portion being profit share that the Group owes the other related parties. The profit share is calculated based on a contractually defined and pre-agreed percentage which is set out within relevant limited partnership agreements. The Group has considered factors such as the substance of the legal contractual agreement and the lack of discretion the Group has regarding the residual payments to third parties. Therefore third party interest is classified as a financial liability and measured at fair value through profit and loss with the corresponding assets being measured at fair value.

(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, cash and cash equivalents and term deposits with original maturities of more than three months.

The Company's financial assets consist of 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

The Group's financial assets are initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the asset's 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 or 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 or loss as such assets are held for investment returns.

Derivative instruments used for hedging foreign exchange, are measured at fair value through profit or 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 Consolidated Statement of Profit or Loss.

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 rate method less expected credit loss. The Group's approach to calculating expected credit loss allowances is described in the credit risk section within note 19 (d).

Receivables due in greater than 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 Consolidated Statement of Profit or Loss.

Cash and cash equivalents and term deposits with original maturities of more than three months 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. On derecognition of a financial asset in its entirety, the difference between the asset's carrying value amount and the sum of the consideration received and receivable, is recognised in the Consolidated Statement of Profit or Loss.

Impairment

Expected credit losses are calculated on financial assets measured at amortised cost and are recognised within the Consolidated Statement of Profit or Loss. For trade and other receivables, the Group and Company apply 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.

Notes to the consolidated and Company financial statements *continued*

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 Consolidated Statement of Profit or Loss along with interest paid on the CLO financial liabilities. The effect of the Group's own credit risk on liabilities of CLOs is not recognised in other comprehensive income as the effect would create an accounting mismatch in profit or loss.

Amounts payable for CLO purchases 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 as the amount of cash received from the bank, less separately incurred transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. Repurchase agreements are measured at fair value through profit or loss.

Other amounts payable to related party investors which represent the residual profits due to third party investors are held at fair value through profit and loss with the corresponding assets being measured at fair value. The effect of the Group's own credit risk on these liabilities is not recognised in other comprehensive income as the effect would create an accounting mismatch in profit or loss.

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 derecognise financial liabilities when, and only when, the Group's or Company's obligations are discharged, cancelled or expire.

Derivative instruments and hedge accounting

Derivative financial instruments are initially measured at fair value determined using independent third-party valuations or quoted market prices 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 Consolidated Statement of Profit or Loss as gain or loss on cash flow hedge within operating expenses. Amounts recognised in equity are transferred to the Consolidated Statement of Profit or Loss 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 Consolidated Statement of Profit or Loss. 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 Consolidated Statement of Profit or Loss.

Prior to their settlement, derivatives are carried as a financial asset when the fair value is positive and as a financial 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 Company Statement of Financial Position 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 Consolidated Statement of Profit or Loss. The investments are recorded as fair value of fund investment or carried interest receivable within the Group Consolidated Statement of Financial Position.

(r) Cash and term deposits

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments including term deposits with original maturities of three months or less and money market funds, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's other operating activities. Term deposits represent fixed term deposits placed with banks and financial institutions.

(s) Dividends

Dividends and other distributions to the Company's shareholders are recognised in the period in which the dividends and other distributions are declared and approved by 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 within 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. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated.

(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.

The Group's investments in Bridgepoint funds are accordingly measured at fair value through profit or loss and returns from those investments are recognised as operating income within the Consolidated Statement of Profit or Loss.

Consolidation of CLOs

The Group holds investments in the senior and subordinated notes of CLOs that it manages, predominantly 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 subordinated notes of CLOs 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. As a result, the Group's consideration of exposure to variable returns focuses on its interest in equity tranche.

Notes to the consolidated and Company financial statements *continued*

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 CLO has a significant gross-up on the Group's assets and liabilities, which is shown gross on the face of the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows 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 notes 16 and 17 and a non-statutory and unaudited Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows excluding the consolidation of CLOs is included on pages 202 and 203.

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 Group holds the majority of the subordinated notes in CLO 1 and the Directors have therefore concluded that the Group acts as principal and should consolidate.

Bridgepoint CLO 2 DAC ("CLO 2") is not consolidated in the financial statements of the Group at 31 December 2022 as the Group's exposure to variable returns is only 5% of all debt and subordinated notes.

At 31 December 2021, Bridgepoint CLO 3 DAC ("CLO 3") was not consolidated in the financial statements of the Group and was treated as an associate as the Group's holding was 7% of all notes (which includes a 31% interest in the subordinated notes) as the Group did not have the greatest exposure to the variable returns. On 8 June 2022, the Group acquired an additional 30% interest from another investor which increased the Group's interest in the subordinated notes to 61%. The Group's equity interest has decreased to 51% as at 31 December 2022. 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. As a result, the Directors have therefore determined that the Group acts as principal and should consolidate in the financial statements as at 31 December 2022. The following table provides an overview of the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed as of the acquisition date.

	£m
Consideration	
Cash paid on acquisition date	8.3
Total consideration transferred	8.3
Fair value of the Group's equity interest in CLO 3 held before the acquisition	8.6
Total	16.9
Recognised amounts of identifiable assets acquired and liabilities assumed	
Financial assets	342.9
Financial liabilities	(315.2)
Total identifiable net assets attributable to subordinated notes	27.7
Attributable to third-party investors of CLO 3	(10.8)
Total	16.9

The Group paid £8.3m (€9.6m) in cash on the acquisition date with no further consideration due. The fair value of the identifiable net assets acquired approximates the fair value of consideration on the acquisition date, and as a result, no goodwill is recognised on the acquisition.

Bridgepoint CLO 4 DAC ("CLO 4") is also consolidated in the financial statements of the Group as at 31 December 2022 as the Group has a majority interest in its warehouse equity. The consolidation of CLO 4 began during 2022 and it remained consolidated at 31 December 2022 as it was still a warehouse ahead of its issuance in January 2023.

The Group designates the amounts attributable to the third-party investors as financial liabilities at fair value through profit and loss.

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 Group employees and others connected to the underlying fund. These vehicles have two purposes: to facilitate payments of carried interest from the fund to carried interest participants, and 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 limited partnership agreement ("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 are 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 27 (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 1) whether or not revenue should be recognised and 2) the timing and measurement of such amounts.

The Group bases its 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% 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 levels 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 fund 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 fund 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 fund manager 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/earnings 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 fund 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 fund 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.

The fund manager takes into account ESG related factors such as climate change into the valuation of investments and, to the extent necessary, makes adjustments to earnings and multiples where demand or costs for a portfolio company could be impacted.

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 19 (a).

Valuation of CLO assets and liabilities

The loan asset portfolios of the consolidated CLO vehicles are valued using independent loan pricing sources. To the extent that the significant inputs are observable, the Group categorises these investments as level 2. The valuation methodology for the Group’s investment in the various notes of CLOs is based upon discounted cash flow models with unobservable market data inputs, such as asset coupons, constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and they are therefore considered level 3 financial assets. At 31 December 2021, the approach had been to use broker pricing for the equity investments, classified as level 2 financial assets. Notwithstanding, the Directors believe that the model-based valuation is more reflective of the valuation of the liabilities and aligned with the objectives of the holdings of such assets.

The debt and subordinated debt liabilities of consolidated CLOs are valued in line with the fair value of the CLOs' loan asset portfolios. The CLO designated activity vehicles which are consolidated are set up to distribute all proceeds generated from the assets of the CLO to the note holders of the CLO and thus the entity itself does not generate any residual profit. The valuations of the consolidated liabilities are therefore measured at par and adjusted in order to match the value of the asset portfolio, with any adjustment applied to the note liabilities in order of ascending seniority. A sensitivity analysis has been included within note 19 (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 ("BDL III") and Bridgepoint Credit Opportunities IV ("BCO IV"). Fundraising for both funds continued during 2022 and is expected to complete in 2023. The amount payable has been based upon management's best estimate of each fundraising at 31 December 2022, which is consistent with approved budgets.

Measurement of intangible assets, useful lives and impairment

A customer relationship asset was recognised following the Group's acquisition of EQT Credit in October 2020, 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 pre-tax discount rate of 10.5%, which was calculated by using comparable company information.

The useful life of the intangible assets arising from this transaction has been determined as seven 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 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 2023 to 2027, including new fundraising, and a pre-tax discount rate of 15.0% (2021: 10.7%), which was calculated by using comparable company information.

A sensitivity analysis of goodwill and the intangible asset has been included within note 14.

4 Operating segments

Operating segments are the components of the Group whose results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Executive Directors are considered to be the chief operating decision maker of the Group, which is divided into operating segments based on how key management reviews and evaluates the operation and performance of the business.

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 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.

In 2022 certain investor related costs were reclassified to Central from Credit reflecting team restructuring. The comparative period was not restated.

Notes to the consolidated and Company financial statements *continued*

Segmental statement of profit or loss 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, other income, other expenses and exceptional expenses are not allocated to operating segments and are included in the Group total. Foreign exchange gains and losses are allocated to Central.

Group	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
Year ended 31 December 2022						
Management and other fees	187.8	50.8	2.9	241.5	–	241.5
Carried interest	24.2	–	–	24.2	–	24.2
Fair value remeasurement of investments	32.1	8.6	–	40.7	–	40.7
Other operating income	0.2	–	–	0.2	0.8	1.0
Total operating income	244.3	59.4	2.9	306.6	0.8	307.4
Personnel expenses	(67.6)	(21.2)	(35.9)	(124.7)	(1.1)	(125.8)
Other operating expenses	(16.2)	(8.4)	(17.6)	(42.2)	(0.2)	(42.4)
Foreign exchange	–	0.7	0.4	1.1	–	1.1
Underlying EBITDA (excluding exceptional expenses)	160.5	30.5	(50.2)	140.8	(0.5)	140.3
Exceptional expenses						(3.2)
EBITDA (including exceptional expenses)						137.1
Depreciation and amortisation						(18.3)
Other income and expenses						8.6
Profit before tax						127.4

Group	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
Year ended 31 December 2021						
Management and other 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 operating expenses	(13.3)	(9.1)	(13.7)	(36.1)	(0.3)	(36.4)
Foreign exchange	–	–	1.1	1.1	–	1.1
Underlying 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)
Other income and expenses						(7.7)
Profit before tax						62.6

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 Consolidated 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	
	2022 £ m	2021 £ m
Investments:		
Private equity	241.3	217.9
Credit (assets attributable to the Group)	76.9	108.1
Credit (CLO assets attributable to third-party investors)	696.1	274.5
Total investments	1,014.3	600.5
Carried interest receivable:		
Private equity	39.4	36.4
Credit	2.6	2.5
Total carried interest receivable	42.0	38.9

5 Operating income

Operating income primarily comprises management and other fees, carried interest income and investment profits from the management of and investment in private equity and credit fund partnerships.

Management and other fees

Management and other 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	
	2022 £ m	2021 £ m
Management and other fees before settlement of FX hedges	239.1	196.7
Settlement of FX hedges	2.4	1.0
Total management and other fees	241.5	197.7

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% 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	
	2022 £ m	2021 £ m
Carried interest income:		
10% lower value of unrealised assets	(3.9)	(4.2)
10% higher value of unrealised assets	5.4	5.4

Note 19 (a) includes a sensitivity analysis for co-investment valuations and the impact on profit or loss.

Notes to the consolidated and Company financial statements *continued*

Fair value remeasurement of investments

Fair value remeasurement of investments consists of net changes in the fair value of the Group's investments in private equity and credit funds.

Fair value remeasurement of investments 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	
	2022 £ m	2021 £ m
Fair value remeasurement of investments before remeasurement of FX hedges	47.0	53.8
Remeasurement of FX hedges	(6.3)	3.1
Fair value remeasurement of investments	40.7	56.9

Fair value remeasurement of investments 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 which are fully consolidated by the Group.

	Group	
	2022 £ m	2021 £ m
CLO investment income	14.9	3.0
CLO investment expense	(13.0)	(1.3)
CLO investment income, net	1.9	1.7

The table above excludes the fair value remeasurement of sale and repurchase arrangements of the Group's interests in CLOs 2 and 3. Further details are set out in note 17 (d).

Other operating income

Other operating income includes fees and commissions receivable by the Group's procurement consulting business, PEPCO Services LLP.

6 Personnel expenses

Aggregate personnel expenses (including Directors' remuneration) in each year were as follows:

	Group	
	2022 £ m	2021 £ m
Wages and bonuses	97.6	104.4
Social security costs	16.1	15.8
Pensions	2.0	1.9
Share-based payments	0.4	3.2
Other employee expenses	10.8	7.4
Total personnel expenses	126.9	132.7

Total personnel expenses include £1.1m (2021: £11.3m) 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 Consolidated Statement of Profit or Loss for the year was £0.4m (2021: £3.2m) 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.

No other share-based payment awards were made during the year ended 31 December 2022.

Group and Company

	A3 Share Award		IPO Share Award		A3 Share Award (£ per share)		IPO Share Award (£ per share)	
	2022	2021	2022	(Restated) 2021*	2022	2021	2022	(Restated) 2021*
Opening	602,000	–	–	–	3.96	–	3.50	–
Share reorganisation/granted	–	612,000	–	870,090	–	3.96	–	3.50
Vested	(60,200)	–	–	(837,230)	3.96	3.96	–	3.50
Forfeited	(12,825)	(10,000)	–	(32,860)	3.96	3.96	–	3.50
Outstanding at year end	528,975	602,000	–	–	3.96	3.96	–	–

* Share-based payments in 2021 have been restated to reflect the vesting of IPO awards as at 31 December 2021. There is no impact on the Consolidated Statement of Profit or Loss and the Consolidated Statement of Financial Position.

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	
	2022 No.	2021 No.
UK	221	207
Other	145	133
Total	366	340

The Company has four employees (2021: four).

7 Other operating expenses

Other operating expenses include expenditure on IT, travel and legal and professional fees. Other operating expenses include fees paid to the auditors for the audit of the Group and relevant subsidiary financial statements and other fees for other services. Expenditure relating to low-value asset leases are required to be disclosed separately and are set out below.

a) Auditor's remuneration

During the year, the Company and the Group received the following services from its external auditor, Mazars LLP ("Mazars"). The table below sets out fees earned by Mazars in relation to the year ended 31 December 2022.

	Group	
	2022 £ m	2021 £ m
Audit fees		
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	0.5	0.4
Fees payable to the external auditor for the audit of the accounts of the Company's consolidated subsidiaries	0.9	0.8
Total audit fees	1.4	1.2
Non-audit fees		
Audit-related assurance services	0.2	0.1
Total non-audit fees	0.2	0.1
Total auditor's remuneration	1.6	1.3

Notes to the consolidated and Company financial statements *continued*

b) Low-value asset leases

	Group	
	2022 £ m	2021 £ m
Expense relating to low-value asset leases		
– Low-value asset leases	0.3	0.2

8 Exceptional items

Exceptional items are material items of income or expenditure that are 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 2022 principally relate to costs associated with the Group's acquisition of EQT Credit and costs incurred in relation to potential acquisitions. Exceptional other income relates to the remeasurement and revaluation of a deferred consideration payable.

	Group	
	2022 £ m	2021 £ m
Personnel expenses	(1.1)	(11.3)
Other operating expenses	(2.1)	(17.3)
Total exceptional expenses within EBITDA	(3.2)	(28.6)
Other expenses	–	–
Total exceptional expenses	(3.2)	(28.6)

	Group	
	2022 £ m	2021 £ m
Other income	13.6	3.8
Total exceptional income	13.6	3.8

a) Exceptional personnel expenses

In 2022, exceptional personnel expenses include deferred transaction related bonuses and associated social security costs from the acquisition of EQT Credit in 2020. Specific bonus payments payable to employees in relation to the EQT acquisition are exceptional as similar awards were only granted once. The awards incentivise employees to align their goals with the business' goals through being awarded over multiple periods, hence such expenses will continue to be recognised until 2025. 2021 exceptional personnel expenses include transaction related bonuses from the acquisition of EQT Credit and IPO related personnel costs.

b) Exceptional other operating expenses

In 2022, exceptional other operating expenses include costs incurred in relation to potential acquisitions. 2021 exceptional other operating expenses include listing costs incurred during the IPO and costs related to potential acquisitions.

c) Exceptional other income

Exceptional other income of £13.6m relates to remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB. The deferred consideration payable to EQT AB was recognised upon acquisition and is considered exceptional as no similar contractual liabilities will be entered into with EQT AB by the Group. Due to the contractual arrangement underlying the deferred consideration, which is a payable in a future accounting period, there will be exceptional items related to the valuation in multiple periods.

2021 exceptional other income 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.

9 Depreciation and amortisation

The following table summarises the depreciation and amortisation charge during the year.

	Group	
	2022 £ m	2021 £ m
Depreciation on property, plant and equipment	15.3	11.9
Amortisation of intangible assets	3.0	3.1
Total depreciation and amortisation expense	18.3	15.0

The amortisation of intangible assets is excluded from the calculation of underlying profitability measures in order to distinguish from underlying performance.

10 Other income and expenses

	Group	
	2022 £ m	2021 £ m
Interest income on term deposits	2.3	0.4
Finance income on subleases	0.6	–
Other income	13.6	3.8
Total other income	16.5	4.2
Interest expense on bank overdrafts and borrowings	(1.3)	(3.1)
Interest expense on lease liabilities	(3.4)	(2.8)
Other expenses	(0.9)	(0.4)
Finance expense on amounts payable to related party investors	(2.3)	(5.6)
Total other expenses	(7.9)	(11.9)
Net other income/(expenses), including exceptional items	8.6	(7.7)

a) Other income

Other income in 2022 primarily relates to the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB (see note 17 (b) for further details) of £13.6m. It is considered exceptional income, and accordingly is excluded from the calculation of underlying profitability measures.

Other income in 2021 relates to the unwind of discounting on the deferred proceeds receivable from Dyal Partners IV (C) LP of £2.6m and the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB of £1.2m.

b) Other expenses

Other expenses include borrowing facility fees which are being amortised over the term of the facility of £0.9m (2021: £0.4m).

c) Finance expense on amounts payable to related party investors

Finance expense on other financial liabilities represents amounts due to related party investors in Opal Investments LP and BE VI (French) Co-Invest LP under the limited partnership agreements. See note 17 (d) for further detail.

Notes to the consolidated and Company financial statements *continued*

11 Tax expense

(a) Tax expense

Tax charged in the Consolidated Statement of Profit or Loss:

	Group	
	2022 £ m	2021 £ m
Current taxation		
Current tax – current year	3.4	2.8
Current tax – prior year	0.4	0.3
Total current tax expense	3.8	3.1
Deferred taxation		
Deferred tax – current year	4.7	2.8
Deferred tax – prior year	(1.7)	(1.1)
Total deferred tax expense	3.0	1.7
Tax expense	6.8	4.8

(b) Reconciliation of tax expense

The tax on profit before tax is different to the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%) 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. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the change had been substantively enacted at the balance sheet date, these rates have been considered when calculating the closing deferred tax balances at the reporting date.

	Group	
	2022 £ m	2021 £ m
Profit before tax	127.4	62.6
Tax on profit before taxation at the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	24.2	11.9
Non-taxable and non-deductible items	(23.7)	(5.3)
Deferred tax adjustments regarding management fee income and investments	2.5	(13.9)
Capital gains transferred	–	3.1
Effect of tax rate changes	–	5.3
Effect of foreign tax rates	0.2	0.5
Deferred tax not recognised	5.0	4.0
Prior year adjustment	(1.4)	(0.8)
Total tax expense for the year	6.8	4.8

(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.

	2022 £ m	2021 £ m
Tax on amounts recognised in other comprehensive income	3.3	(2.1)

(d) Tax losses not recognised

The Group has carried forward losses of £498.8m (2021: £452.0m) as at 31 December 2022 which have not been recognised due to the uncertainty of future taxable profits against which the asset can be utilised.

The Group has an asset of £33.4m (2021: £25.0m) and the Company an asset of £0.4m (2021: £1.1m) that have been recognised where there is an expectation that the tax losses can be utilised against future profits. See note 21 for further detail on deferred tax assets recognised.

12 Earnings per share

	2022	2021
Profit attributable to equity holders of the Company (£ m)	120.6	57.8
Weighted average number of ordinary shares for purposes of basic and diluted EPS (m)	823.3	356.0
Basic and diluted earnings per share (£)	0.15	0.16

The adjusted earnings per share on underlying profit after tax of £113.1m (2021: £85.7m) based on the weighted average number of shares at 31 December 2022 is £0.14 (2021: £0.10 on underlying profit after tax of £85.7m based on the number of shares in issue at 31 December 2021). The underlying profit after tax is calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax.

See note 22 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			Total £ m
	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	
Cost				
Balance at 1 January 2022	77.4	15.2	10.8	103.4
Foreign exchange	–	0.4	0.1	0.5
Additions	3.4	18.9	3.4	25.7
Disposals	(7.7)	(4.7)	(3.8)	(16.2)
Balance at 31 December 2022	73.1	29.8	10.5	113.4
Accumulated depreciation				
Balance at 1 January 2022	(14.2)	(5.6)	(7.8)	(27.6)
Foreign exchange	–	(0.1)	(0.1)	(0.2)
Depreciation	(10.6)	(2.7)	(2.0)	(15.3)
Disposals	7.2	4.2	3.8	15.2
Balance at 31 December 2022	(17.6)	(4.2)	(6.1)	(27.9)
Carrying value at 31 December 2022	55.5	25.6	4.4	85.5

	Group			Total £ m
	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	
Cost				
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

The Company has no plant, property or equipment at 31 December 2022 (2021: nil).

Notes to the consolidated and Company financial statements *continued*

14 Goodwill and intangible assets

	Group		
	Goodwill £ m	Intangibles £ m	Total £ m
Cost			
Balance at 1 January 2022	105.1	21.2	126.3
Balance at 31 December 2022	105.1	21.2	126.3
Accumulated amortisation and impairment			
Balance at 1 January 2022	–	(3.7)	(3.7)
Amortisation	–	(3.0)	(3.0)
Balance at 31 December 2022	–	(6.7)	(6.7)
Carrying value			
Balance at 1 January 2022	105.1	17.5	122.6
Balance at 31 December 2022	105.1	14.5	119.6
	Group		
	Goodwill £ m	Intangibles £ m	Total £ m
Cost			
Balance at 1 January 2021	105.1	21.2	126.3
Balance at 31 December 2021	105.1	21.2	126.3
Accumulated amortisation 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

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 from 2023 to 2027 (2021: from 2022 to 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 management 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 15.0% (2021: 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 4.1% (2021: 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 2022 significant headroom is noted, and therefore no impairment is identified (2021: nil). The Credit business would need to fall short of its projected profit margins by over 58.5% over the period 2023 to 2027 for the goodwill to be impaired.

The intangible asset represents a customer relationship asset which also 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 and attrition in new funds and the discount rate applied to the projections.

The Company has no goodwill or intangibles assets.

15 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.

As at 31 December 2022, the undiscounted carried interest asset is £68.3m (2021: £63.2m).

	Group	
	2022 £ m	2021 £ m
Opening balance	38.9	27.9
Income recognised in the year	23.1	15.2
Foreign exchange movements recognised in the Consolidated Statement of Profit or Loss	1.1	(0.9)
Foreign exchange movements recognised in other comprehensive income	0.1	(0.2)
Receipts of carried interest	(21.2)	(3.1)
Closing balance	42.0	38.9

The Company has no carried interest receivable.

16 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 as defined in IFRS 9 "Financial Instruments". Assets which are not considered as financial assets, for example prepayments and lease receivables, are also shown in the table in a separate column in order to reconcile to the face of the Consolidated Statement of Financial Position.

	Group				Total £ m
	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	
As at 31 December 2022					
Fair value of fund investments	273.0	–	–	–	273.0
Consolidated CLO assets	726.3	–	15.0	–	741.3
Trade and other receivables	–	–	181.6	23.2	204.8
Derivative financial assets	–	1.0	–	–	1.0
Cash and cash equivalents	–	–	196.0	–	196.0
Term deposits with original maturities of more than three months	–	–	100.0	–	100.0
Consolidated CLO cash	–	–	24.6	–	24.6
Total	999.3	1.0	517.2	23.2	1,540.7

	Group				Total £ m
	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	
As at 31 December 2021					
Fair value of fund investments	313.7	–	–	–	313.7
Consolidated CLO assets	286.8	–	–	–	286.8
Trade and other receivables	–	–	76.4	28.7	105.1
Derivative financial assets	–	9.9	–	–	9.9
Cash and cash equivalents	–	–	323.1	–	323.1
Term deposits with original maturities of more than three months	–	–	–	–	–
Consolidated CLO cash	–	–	4.2	–	4.2
Total	600.5	9.9	403.7	28.7	1,042.8

Notes to the consolidated and Company financial statements *continued*

As at 31 December 2022	Company				Total £ m
	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	
Trade and other receivables	–	–	20.3	–	20.3
Cash and cash equivalents	–	–	114.0	–	114.0
Term deposits with original maturities of more than three months	–	–	50.0	–	50.0
Total	–	–	184.3	–	184.3

As at 31 December 2021	Company				Total £ m
	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	
Trade and other receivables	–	–	106.5	–	106.5
Cash and cash equivalents	–	–	159.0	–	159.0
Term deposits with original maturities of more than three months	–	–	–	–	–
Total	–	–	265.5	–	265.5

(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 remeasured at fair value through profit or loss within operating income.

The investments primarily consist of loans or commitments made in relation to the Bridgepoint Europe VI, V and III, Bridgepoint Development Capital IV and III private equity funds, the Bridgepoint Credit I, Direct Lending I and II, and Credit Opportunities III and IV credit 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	
	2022 £ m	2021 £ m
Opening balance	313.7	235.9
Additions	38.5	92.7
Change in fair value	32.9	65.7
Foreign exchange movements recognised in the Consolidated Statement of Profit or Loss	5.8	(8.6)
Foreign exchange movements recognised in other comprehensive income	8.2	(6.1)
Disposals	(126.1)	(65.9)
Closing balance	273.0	313.7

The Company has no investment in funds at 31 December 2022 (2021: nil).

(c) CLO assets

The balance shown includes the gross value of the assets held by CLO 1, CLO 3 and CLO 4 (2021: CLO 1), which are 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 primarily 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	
	2022 £ m	2021 £ m
Consolidated CLO assets consolidated by the Group	741.3	286.8
Consolidated CLO assets attributable to third-party investors	(696.1)	(274.5)
Group's exposure to consolidated CLO assets	45.2	12.3

The Company has no investments in CLO assets at 31 December 2022 (2021: nil).

(d) Derivative financial assets

	Group	
	2022 £ m	2021 £ m
Derivative financial assets		
Forward contracts	1.0	9.9

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 19 (b).

The Company has no derivative financial assets at 31 December 2022 (2021: nil).

(e) Trade and other receivables

	Group		Company	
	2022 £ m	(Restated) 2021* £ m	2022 £ m	(Restated) 2021* £ m
Non-current				
Prepayments	1.6	–	–	–
Trade and other receivables	18.3	16.9	–	–
	19.9	16.9	–	–
Current				
Trade receivables	12.2	16.0	–	–
Accrued income	19.0	2.8	–	–
Prepayments	6.2	5.5	–	–
Deferred investment receipts	52.8	–	–	–
Other receivables	94.7	63.9	20.3	106.5
	184.9	88.2	20.3	106.5
Total trade and other receivables	204.8	105.1	20.3	106.5

* Current prepayments and other receivables in 2021 have been restated to reflect a classification change. There is no impact on the Group Consolidated Statement of Financial Position.

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 and their portfolio companies in relation to costs incurred on their behalf. Such costs include deal and fundraising expenditure. Amounts receivable from the funds at year end were £49.7m (2021: £37.6m). Amounts receivable from portfolio companies of the funds at the end of the year were £2.7m (2021: £2.1m).

ii) Deferred investment receipts

This receivable relates to the sale of the Group's stake in Bridgepoint Credit II "C" LP, which was previously held as an investment in an associate and measured at fair value through profit or loss. The sale was completed in October 2022 with an initial payment of £52.8m (€59.5m) which was received in February 2023 and a final payment in 2026 if the final net asset value is outside a pre-determined range. The Group has determined that the possibility of the net asset value of the fund falling outside the range is highly unlikely, therefore, no contingent consideration has been recognised.

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	
	2022 £ m	2021 £ m
Opening balance	0.1	1.1
Additions	3.6	–
Amortisation	(0.9)	(1.0)
Closing balance	2.8	0.1

Notes to the consolidated and Company financial statements *continued*

iv) Lease receivables

Non-current and current trade and other receivables include lease receivables on sublet office premises. Two of the subleases run until the end of the related head lease and expire on 31 December 2027. The third sublease runs for 10 years and expires on 16 August 2031. The undiscounted cash flows for these lease receivables during the year ended 31 December 2022 were £1.4m (2021: £1.0m). The finance income earned on the subleases during the year ended 31 December 2022 was £0.6m (2021: £0.4m).

The following table sets out the maturity analysis of lease receivables, showing undiscounted lease payments to be received after the reporting date.

	Group	
	2022 £ m	2021 £ m
Lease receivables		
Due within 1 year	2.5	1.4
Due between 1 and 2 years	2.5	2.5
Due between 2 and 3 years	2.5	2.5
Due between 3 and 4 years	2.5	2.5
Due between 4 and 5 years	2.5	2.5
Due after more than 5 years	5.2	7.9
Total undiscounted lease payments receivable	17.7	19.3
Unearned finance income	(2.3)	(3.1)
Net investment in leases	15.4	16.2
Current	2.0	0.8
Non-current	13.4	15.4
	15.4	16.2

The Company has no lease receivables at 31 December 2022 (2021: nil).

(f) Cash and term deposits

	Group		Company	
	2022 £ m	2021 £ m	2022 £ m	2021 £ m
Cash at bank and in hand	78.3	323.1	1.4	159.0
Money market funds	17.7	–	12.6	–
Term deposits with original maturities of less than three months	100.0	–	100.0	–
Total cash and cash equivalents	196.0	323.1	114.0	159.0
Term deposits with original maturities of more than three months	100.0	–	50.0	–
Consolidated CLO cash	24.6	4.2	–	–
Total cash and term deposits	320.6	327.3	164.0	159.0

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments including term deposits with original maturities of three months or less and money market funds, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Term deposits represent fixed term deposits placed with banks and financial institutions.

Consolidated CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's operating activities.

There are no material differences between the carrying amounts and fair values of cash and cash equivalents, term deposits with original maturities of more than three months and consolidated CLO cash.

17 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 defined 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 and are shown in the table in a separate column in order to reconcile to the face of the Consolidated Statement of Financial Position.

	Group				
	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
As at 31 December 2022					
Trade and other payables	16.7	–	51.8	60.6	129.1
Other financial liabilities	49.5	–	–	–	49.5
Lease liabilities	–	–	83.2	–	83.2
Derivative financial liabilities	–	13.2	–	–	13.2
Consolidated CLO liabilities	597.5	–	2.6	–	600.1
Consolidated CLO purchases awaiting settlement	–	–	120.6	–	120.6
Total financial liabilities	663.7	13.2	258.2	60.6	995.7

	Group				
	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
As at 31 December 2021					
Trade and other payables	30.3	–	39.0	64.4	133.7
Other financial liabilities	46.9	–	–	–	46.9
Lease liabilities	–	–	84.8	–	84.8
Derivative financial liabilities	–	–	–	–	–
Consolidated CLO liabilities	241.4	–	1.5	–	242.9
Consolidated CLO purchases awaiting settlement	–	–	35.8	–	35.8
Total financial liabilities	318.6	–	161.1	64.4	544.1

	Company				
	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
As at 31 December 2022					
Trade and other payables	–	–	1.1	–	1.1
Total financial liabilities	–	–	1.1	–	1.1

	Company				
	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
As at 31 December 2021					
Trade and other payables	–	–	23.1	–	23.1
Total financial liabilities	–	–	23.1	–	23.1

Notes to the consolidated and Company financial statements *continued*

(b) Trade and other payables

	Group		Company	
	2022 £ m	2021 £ m	2022 £ m	2021 £ m
Amounts due in more than one year:				
Deferred contingent consideration payable	–	30.3	–	–
Management incentive scheme	12.9	12.6	–	–
Accrued expenses	0.7	0.6	–	–
	13.6	43.5	–	–
Amounts due within one year:				
Trade payables	1.3	8.0	–	–
Deferred contingent consideration payable	16.7	–	–	–
Accrued expenses and deferred income	77.7	70.2	1.1	2.9
Amounts due to related parties	1.3	0.7	–	20.2
Social security and other taxes	2.8	2.7	–	–
Other payables	15.7	8.6	–	–
	115.5	90.2	1.1	23.1
Total trade and other payables	129.1	133.7	1.1	23.1

i) Deferred contingent consideration

The deferred contingent consideration is payable to EQT AB and relates to the outcome of certain fundraising for the Bridgpoint Direct Lending III and Bridgpoint Credit Opportunities IV funds that falls within the definitions applying to deferred consideration in the transaction documents (this does not equate to total fundraising). These fundraises are expected to complete during 2023. The maximum amount payable is £44.4m (€50.0m). At 31 December 2022, the Group remeasured the expected liability at that point, which equated to £16.7m (2021: £30.3m), through the Consolidated Statement of Profit or Loss. Further details of the corresponding income relating to the re-measurement are included in note 8 (c).

Were the total fundraising raised within the relevant definitions for both funds to increase by 45%, the maximum deferred consideration would be met.

At 31 December 2022, the deferred contingent consideration payable is classified as a current liability as it is expected to be settled during 2023 (2021: non-current liability).

ii) Management incentive scheme

In April 2021, a subsidiary company, Bridgpoint 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 an other long-term employment benefit under IAS 19 “Employment Benefits” as it is not linked to the value of the equity of Bridgpoint Credit Holdings Limited or equity instruments of other Group members, but is based on the revenue generated by major funds managed by the Group. As at 31 December 2022, 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 Bridgpoint funds.

iv) Other payables

Other payables include tax and other provisions.

There are no material differences between the above amounts for trade and other payables and their fair value.

(c) Borrowings

On 19 October 2020, Bridgepoint Advisers Holdings, entered into a Revolving Facility Agreement for £125m for a period of three years. At 31 December 2022 there were no drawn amounts on the facility (2021: nil drawn). Loan arrangement fees of £1.25m have been capitalised and are being amortised over the life of the facility. At 31 December 2022 the unamortised fees are £0.4m (2021: £0.7m).

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 2022 (2021: nil).

(d) Other financial liabilities

	Group	
	2022 £ m	2021 £ m
Liabilities held at fair value through profit and loss:		
CLO repurchase agreements	28.1	28.1
Amount payable to related party investors in Opal Investments LP	10.0	9.5
Amount payable to related party investors in intermediate fund holding entities	11.4	9.3
Total	49.5	46.9

i) CLO repurchase agreements

The Group has entered into an arrangement to sell and repurchase interests in CLOs 2 and 3. For CLO 2, the repurchase liability is £12.5m (€14.9m) 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 £15.6m (€18.6m) 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. The interest payable over the life of the repurchase is equal to any distributions received by the relevant notes to which the repurchase agreement relates.

ii) Amounts payable to related party investors in Opal Investments 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. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

iii) Amount 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. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

The Company has no other financial liabilities at 31 December 2022 (2021: nil).

Notes to the consolidated and Company financial statements *continued*

(e) Consolidated CLO liabilities

	Group	
	2022 £ m	2021 £ m
Liabilities of CLOs consolidated by the Group (non-current)	597.5	241.4
Liabilities of CLOs consolidated by the Group (current)	2.6	1.5
Total	600.1	242.9

Non-current 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 Consolidated Statement of Profit or Loss.

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) Consolidated CLO purchases awaiting settlement

	Group	
	2022 £ m	2021 £ m
Consolidated CLO purchases awaiting settlement	120.6	35.8

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.

(g) Derivative financial liabilities

	Group	
	2022 £ m	2021 £ m
Derivative financial liabilities:		
Forward contracts	13.2	–

The derivative financial liabilities relate to forward contracts that are used to hedge foreign exchange risk. Further detail on the Group's hedging programme is set out in note 19 (b).

The Company has no derivative financial liabilities at 31 December 2022 (2021: nil).

(h) Commitments

The Group's undrawn capital commitments to the Bridgepoint funds at each period end are 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 not a financial liability, and 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	
	2022 £ m	2021 £ m
Private equity funds	255.3	113.7
Credit funds	34.4	28.5
Total commitments	289.7	142.2

18 Lease liabilities

	Group	
	2022 £ m	2021 £ m
Lease liabilities		
Current	6.1	4.0
Non-current	77.1	80.8
Total	83.2	84.8

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 or early exit.

The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. A number of leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised. The potential future cash outflows relating to extension options not included in the measurement of lease liabilities approximate £1.6m (2021: £1.6m).

The lease liability is therefore sensitive to assumptions relating to the selection and application of the IBR and those relating to the exercise or 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 or lower, the impact on the lease liability would be:

	Group	
	2022 £ m	2021 £ m
Increase of 1%	(3.0)	(3.5)
Decrease of 1%	3.2	3.8

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 Statement of Profit or Loss includes the following amounts relating to the lease liabilities:

	Group	
	2022 £ m	2021 £ m
Interest on lease liability	3.4	2.8

The Company has no lease liabilities (2021: nil).

Notes to the consolidated and Company financial statements *continued*

19 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 Consolidated Statement of Financial Position is made up predominately of investments into private equity and credit funds, consolidated CLO assets and liabilities, term deposits with original maturities of more than three months, cash and cash equivalents, lease liabilities, CLO purchase awaiting settlement and other financial liabilities. 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 investments are inherently different, due to the nature of the investments 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 Statement of Financial Position is made up predominantly of investments in subsidiaries, cash and cash equivalents, and term deposits with original maturities of more than three months.

(a) Price and valuation risk

Price and valuation risk is the uncertainty about the difference between the reported value and the price that could be obtained on exit or maturity of an asset or liability. This principally relates to investments in funds, which hold portfolios of private equity and debt investments, the investments held by consolidated CLOs, and the notes issued 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's 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 and 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 asset/ liability	Fair value at 31 December 2022 (£ m)	Fair value at 31 December 2021 (£ m)	Number of unique investments	Valuation methodology	Description	Inputs
Private equity fund investments	241.3	217.9	68	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.	<p>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:</p> <ul style="list-style-type: none"> - The original transaction price/entry multiple; - Recent transactions in the same or similar instruments; - Relevant comparable listed company multiples; - Exit expectations and other company specific factors. <p>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 fund's share of the value is calculated by calculating its holding.</p> <p>At 31 December 2022, 97% (2021: 97%) of private equity fund investments were valued using the earnings multiple approach.</p>
				Listed price	Where a portfolio company has instruments traded on a recognised exchange the traded price is used to value the investment.	<p>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.</p> <p>As at 31 December 2022, there were two listed portfolio companies (3%) (2021: 3%) which were priced using the prevailing share price.</p>

Notes to the consolidated and Company financial statements *continued*

Nature of asset/ liability	Fair value at 31 December 2022 (£ m)	Fair value at 31 December 2021 (£ m)	Number of unique investments	Valuation methodology	Description	Inputs
Credit funds	76.9	108.1	126	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 2022, 8% (2021: 8%) of the Credit fund assets were priced using market prices.
				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 2022, 4% (2021: 4%) of the Credit fund assets were priced using earnings basis.
				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 2022, 80% (2021: 82%) of the Credit fund assets were priced using the amortising to par method.
				Discounted cash flows	Where the Group holds an interest in the note of a CLO, a discounted cash flow analysis is used to determine the valuation.	Inputs used in the discounted cash flow analysis include discount rates and those used to project the expected cash flows relating to the CLO's underlying asset portfolio including annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads. As at 31 December 2022, 100% (2021: none) of the investments in CLO notes were priced using discounted cash flow method.
				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 2022, 8% (2021: 6%) of the Credit fund assets were priced using other valuation techniques.

Nature of asset/ liability	Fair value at 31 December 2022 (£ m)	Fair value at 31 December 2021 (£ m)	Number of unique investments	Valuation methodology	Description	Inputs
Consolidated CLO assets	681.1	274.5	152	Market price	Where a loan is traded in the market, market prices can be obtained for use in pricing.	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 2022, 100% (2021: 99%) of the CLO fund assets were priced using market prices.
Total assets	999.3	600.5				
Non- investment grade and subordinated debt liabilities of the consolidated CLOs	597.5	241.4	17	Net asset value	Where the Group is required to consolidate the liabilities of a CLO, a net asset approach is used where the value of the liabilities is driven by the value of the consolidated loan asset portfolio and any residual cash, accrued interest and expenses contained within the vehicle.	The inputs to the valuation are the quotes obtained from Markit and Bloomberg of the CLO assets. The cash, accrued interest and expenses are at their book value.
Deferred contingent consid- eration	16.7	30.3	N/A	Discounted cash flows	Future consideration to be paid to EQT AB in relation to the acquisition of EQT Credit business and relates to the outcome of fundraising for certain funds.	Inputs used in the calculation of the deferred consideration calculation include estimated outcome of certain fundraising, minimum and maximum thresholds and payout ratio set out in the sales and purchase agreement and discount rate.
CLO repurchase agreements	28.1	28.1	N/A	Discounted cash flows	Where the Group is subject to a sale and repurchase agreement relating to CLOs, a discounted cash flow analysis is used to determine the valuation	Inputs used in the discounted cash flow analysis include discount rates and forecast cash flows relating to the CLO's underlying asset portfolio including assumptions for annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads.
Other financial liabilities	21.4	18.8	N/A	Other	Where the Group enters a limited partnership agreement with related party investors to contractually share profits from those partnerships, other valuation techniques may be utilised where the above methodologies are not deemed appropriate.	N/A
Total liabilities	663.7	318.6				

Notes to the consolidated and Company financial statements *continued*

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	
	2022 £ m (+/-)	2021 £ m (+/-)
Fair value sensitivity:		
10% private equity fund investments	24.1	20.9
1% credit fund investments	0.8	1.1

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 foreign exchange rate movements over time.
- Translation risk: the risk of adverse 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 presentational 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 2023, and reducing in 2024 and 2025, 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	
	2022 £ m	2021 £ m
Nominal value of forward trades in GBP	294.2	266.4
Mark-to-market value at year end	(9.6)	6.8

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 is recognised in the other comprehensive income in cash flow hedge reserves while any ineffective portion is recognised immediately in the Consolidated Statement of Profit or Loss 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 Consolidated Statement of Profit or Loss.

The change in value that has been recognised as ineffective in the Consolidated Statement of Profit or Loss, the amount of the effective portion recognised within the cash flow hedge reserve and amounts released to the Consolidated Statement of Profit or Loss during the year are shown in the table below. There was no hedge ineffectiveness.

	Group	
	2022 £ m	2021 £ m
Ineffective portion recognised in the Consolidated Statement of Profit or Loss	–	–
Effective portion recognised in other comprehensive income	(10.5)	12.8
Reclassified to the Consolidated Statement of Profit or Loss upon settlement of hedges	(5.9)	(1.6)

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 predominantly 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.

These hedges are in place to match expected future cash flows, and the Group has decided to use hedge accounting as allowed and determined under IFRS 9 "Financial Instruments". The hedged items fair value movement is recognised in full in the consolidated statement of profit or loss, hence all gains and losses on hedging instruments are recognised in the Consolidated Statement of Profit or Loss directly. No hedging instrument gains or losses are taken directly to equity for investment hedges. The hedge ratio is tracked by comparing the nominal value of outstanding trades to the Group's total exposure to fund investments and loans denominated in a foreign currency.

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	
	2022 £ m	2021 £ m
EUR denominated investments (EUR)	330.7	347.7
Borrowings (EUR)	–	–
Investment hedges (EUR)	(176.7)	(180.0)
EUR denominated investments, net (EUR)	154.0	167.7
+/- 5% sensitivity (GBP) impact on profit and net assets	6.8	7.0

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	
	2022 £ m	2021 £ m
Nominal value of forward trades in GBP	156.7	159.7
Mark-to-market value at year end	(2.6)	3.1

The profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Consolidated Statement of Profit or Loss.

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 2022 the Group had no outstanding borrowings (2021: nil).

Notes to the consolidated and Company financial statements *continued*

If interest rates were to change by 1%, the Group's finance expense applied on the borrowings at year end would have increased or (decreased) by the amounts set out in the table below.

	Group	
	2022 £ m (+/-)	2021 £ m (+/-)
Increase or decrease of 1%	–	–

(d) Credit risk

Credit risk is the risk that a counterparty is 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, investments in the CLOs 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.

The Group's expected credit losses are calculated using a three-stage model, 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 and cash equivalents were held with banks that were investment grade credit quality (BBB or higher).

Term deposits with original maturities of more than three months

The Group's term deposits represent fixed term (more than three months) deposits placed with banks and financial institutions of high-quality credit rating. At each period end, the Group's term deposits were held with banks that were investment grade credit quality (BBB or higher).

Investments in CLOs

At 31 December 2022, the Group fully consolidated CLOs 1, 3 and 4 (2021: CLO 1). The Group's interests in CLOs 1 and 3 comprise interests in subordinated notes which incur the first loss if there is any default within the portfolio of assets by an individual borrower. The construction of CLO 4 commenced during the year and remained in warehousing as at 31 December 2022. As the Group held a majority interest in the warehouse equity, the Group fully consolidates CLO 4.

Whilst the Group has entered into sale and repurchase agreements for CLO 2 and CLO 3, it remains contractually exposed to the performance of CLO, however as the interest is held vertically across all notes of the CLO, the holdings are more diversified than the Group's interest in CLOs 1, 3 and 4. Under the sale and repurchase agreements, the Group is subject to credit risk with the counterparty to £29.7m (2021: £28.5m), however is holding cash collateral of £29.7m (2021: £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 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 2022 was £60.3m (2021: £50.3m).

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 2022 which was £257.9m (2021: £266.4m).

Trade and other receivables

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 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 at the year end of these financial assets is their carrying value. The Company seeks to reduce the credit risk relating to cash balances by only dealing with well-established financial institutions of high quality 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 free 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).

As at 31 December 2022	Group				Total £ m
	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	
Other financial liabilities	21.4	–	–	29.7	51.1
Derivative financial liabilities	5.2	4.8	3.2	–	13.2
Trade and other payables	51.8	–	–	–	51.8
Deferred contingent consideration	16.7	–	–	–	16.7
Lease liabilities	9.4	13.6	39.7	34.9	97.6
Consolidated CLO liabilities	84.5	48.3	397.2	249.5	779.5
Consolidated CLO purchases awaiting settlement	120.6	–	–	–	120.6
	309.6	66.7	440.1	314.1	1,130.5

Notes to the consolidated and Company financial statements *continued*

As at 31 December 2021	Group				Total £ m
	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	
Other financial liabilities	18.8	–	–	28.1	46.9
Derivative financial liabilities	–	–	–	–	–
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
Consolidated CLO liabilities	1.5	–	–	241.4	242.9
Consolidated CLO purchases awaiting settlement	35.8	–	–	–	35.8
	102.3	42.1	38.8	316.6	499.8

As at 31 December 2022	Company				Total £ m
	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	
Trade and other payables	1.1	–	–	–	1.1
	1.1	–	–	–	1.1

As at 31 December 2021	Company				Total £ m
	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	
Trade and other payables	23.1	–	–	–	23.1
	23.1	–	–	–	23.1

(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); and
- Inputs for assets or liabilities that are not based on observable market data (level 3).

Financial assets presented in the Consolidated 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.

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.

Derivatives used for hedging, which are fair valued, are classified as level 2 fair values as the inputs are observable.

	Group	
	2022 £ m	2021 £ m
Financial assets at fair value through profit or loss:		
Level 1	–	–
Level 2	727.3	296.7
Level 3	273.0	313.7
Total	1,000.3	610.4

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	
	2022 £ m	2021 £ m
Level 3 financial assets at fair value through profit or loss:		
Opening balance	313.7	235.9
Additions	38.5	92.7
Change in fair value	32.9	65.7
Foreign exchange movements recognised in the Consolidated Statement of Profit or Loss	5.8	(8.6)
Foreign exchange movements recognised in other comprehensive income	8.2	(6.1)
Disposals	(126.1)	(65.9)
Transfers (to)/from level 1 or 2	–	–
Closing balance	273.0	313.7

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 19 (a).

	Group	
	2022 £ m	2021 £ m
Financial liabilities at fair value through profit or loss:		
Level 1	–	–
Level 2	13.2	213.2
Level 3	663.7	78.8
Total	676.9	292.0

The valuation methodology for valuing debt liabilities and subordinated debt liabilities of the Group's holdings in is based upon internal discounted cash flow models with unobservable market data inputs, such as asset coupons, constant annual default rates, prepayment rates, reinvestment rates, recovery rates and discount rates and they are therefore considered level 3 financial liabilities. At 31 December 2021, the approach had been to use broker pricing for the liabilities of the consolidated CLOs which were therefore classified as level 2 financial liabilities. Due to the change in valuation methodology for the consolidated CLO liabilities, £211.9m of financial liabilities have been transferred from level 2 to level 3 in the fair value hierarchy during the period (2021: nil).

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 represent CLO repurchase agreements, and payables to related party investors in Opal Investments LP and other intermediate fund holding entities. The valuation of these liabilities is based on unobservable market data and they are therefore classified as level 3.

	Group	
	2022 £ m	2021 £ m
Level 3 financial liabilities at fair value through profit or loss:		
Deferred contingent consideration	16.7	30.3
Consolidated CLO liabilities	597.5	29.7
Other financial liabilities	49.5	18.8
Total	663.7	78.8

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 2022 and 31 December 2021 relates to the remeasurement and revaluation of the payable and for other financial liabilities refer to note 17 (d).

Notes to the consolidated and Company financial statements *continued*

	Group	
	2022 £ m	2021 £ m
Movement in CLO liabilities at fair value through profit or loss which are level 3:		
Opening balance	29.7	37.8
On acquisition	287.9	–
Repayment	–	(5.5)
Drawn	52.8	–
Foreign exchange movements	24.2	(2.2)
Change in fair value	(9.0)	(0.4)
Transfers from level 1 or 2	211.9	–
Closing balance	597.5	29.7

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 17 (b).

	Group	
	2022 £ m	2021 £ m
Increase or decrease of 1%	6.0	0.3

The Company does not hold any liabilities at fair value at 31 December 2022 (2021: nil).

20 Capital management

The primary objective of the Group's capital management is to ensure that the Company 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 the Markets in Financial Instruments Directive ("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. During the year, the Group and certain regulated subsidiaries have reported 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.

	2022 £ m	2021 £ m
Cash and cash equivalents (for use within the Group)	196.0	323.1
Term deposits with original maturities of more than three months	100.0	–
Net cash	296.0	323.1
Share capital	0.1	0.1
Share premium	289.8	289.8
Share-based payment reserve	3.6	3.2
Cash flow hedge reserve	(8.9)	7.5
Net exchange differences reserve	14.4	3.1
Retained earnings	473.7	412.6
Equity attributable to equity holders	772.7	716.3

The Group's banking facilities are subject to financial covenants. 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 annual period.

During the year the Group was fully compliant with regulatory capital requirements and banking covenants.

21 Deferred tax

	Group	
	2022 £ m	2021 £ m
Gross deferred tax assets	57.9	47.8
Gross deferred tax liabilities	(77.3)	(67.5)
Total	(19.4)	(19.7)

Gross deferred tax assets	Other timing differences	Management fees hedges	Losses carried forward	Total
As at 1 January 2021	9.1	0.8	16.1	26.0
(Charge) to other comprehensive income	–	(0.8)	–	(0.8)
Credit to the Consolidated Statement of Profit or Loss	13.7	–	8.9	22.6
As at 31 December 2021	22.8	–	25.0	47.8
Credit to other comprehensive income	–	2.0	–	2.0
(Charge)/credit to the Consolidated Statement of Profit or Loss	(0.3)	–	8.4	8.1
As at 31 December 2022	22.5	2.0	33.4	57.9

Gross deferred tax liabilities	Other timing differences	Management fees hedges	Management fees income and investments	Capital allowance	Total
As at 1 January 2021	(10.6)	–	(31.3)	–	(41.9)
(Charge) to other comprehensive income	–	(1.3)	–	–	(1.3)
(Charge) to the Consolidated Statement of Profit or Loss	(10.3)	–	(11.5)	(2.5)	(24.3)
As at 31 December 2021	(20.9)	(1.3)	(42.8)	(2.5)	(67.5)
Credit to other comprehensive income	–	1.3	–	–	1.3
Credit/(charge) to the Consolidated Statement of Profit or Loss	1.9	–	(10.8)	(2.2)	(11.1)
As at 31 December 2022	(19.0)	–	(53.6)	(4.7)	(77.3)

Deferred tax liabilities primarily represent a future tax on the Group's management fees income and a timing difference arising on the remeasurement of the fair value of investments. They unwind as management 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.

Other timing differences primarily relate to a deferred tax asset on lease liabilities of £20.8m (2021: £21.9m) and a deferred tax liability on right-of-use assets amounting to £13.9m (2021: £16.3m), these will unwind over the period of the lease.

The Company had a deferred tax asset of £0.4m (2021: £1.1m) 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.

Notes to the consolidated and Company financial statements *continued*

22 Equity

(a) Share capital and premium

Allotted, called up and fully paid shares

	Company			
	2022		2021	
	No.	£	No.	£
Ordinary of £0.00005 each	823,268,774	41,163	823,268,774	41,163
Deferred of £81 each	500	40,500	500	40,500
Deferred of £1 each	1	1	1	1
Deferred of £0.01 each	1	0.01	1	0.01
Total	823,269,276	81,664	823,269,276	81,664

Share capital represents the number of ordinary shares issued in Bridgepoint Group plc multiplied by their nominal value of £0.00005 each. Share premium substantially represents the aggregate of all amounts that have ever been paid above nominal value to Bridgepoint Group plc when it has issued ordinary shares.

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.

Deferred shares have no rights other than the right to receive their nominal value in a liquidation after all other shares have received £1.0m per share.

(b) Own shares

Own shares are recorded by the Group when ordinary shares are acquired by the Company and they are deducted from shareholders' equity. The Company held 886,484 ordinary shares and 501 deferred shares (2021: 853,624 ordinary shares; 501 deferred shares) within retained earnings as at 31 December 2022 at a cost of nil (2021: nil).

(c) Cash flow hedge reserve

Hedge reserves consist of the cash flow hedge reserve and the costs of hedging reserve, such as the change in fair value related to forward points basis adjustment. 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 19 (b). Amounts are subsequently either transferred to deferred income or reclassified to the Consolidated Statement of Profit or Loss 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) Merger reserve

The merger reserve relates to the fair value of shares issued by the Company as part of the restructuring ahead of the Company's IPO in 2021 at fair value.

23 Dividends

The Company paid a final dividend of £30.0m in May 2022 to qualifying shareholders, in respect of the second half of 2021, which equates to 3.6 pence per share. In 2021, a dividend of £30.0m was paid to eligible A1 and A2 ordinary shareholders on the day immediately before IPO, which equates to £9.61 per share.

An interim dividend of £32.8 million was paid to shareholders in September 2022, which equates to 4.0 pence per share.

The directors have announced a final dividend of 4.0 pence per share, to be paid in May 2023 to shareholders on the register as at 28 April 2023. This equates to £33.0 million, subject to the share buyback programme (the “Share Buyback Programme”).

	2022		2021	
	£ m	Pence per share	£ m	Pence per share
Ordinary dividends paid:				
Interim	32.8	4.0	30.0	961.0
Proposed final dividend	33.0	4.0	30.0	3.6

24 Cash flow information

(a) Cash generated from operations

	Group		Company	
	2022 £ m	(Restated) 2021 £ m	2022 £ m	(Restated) 2021 £ m
Profit/(loss) before tax	127.4	62.6	2.9	(25.8)
Adjustments for:				
Exceptional expenses	3.2	3.2	0.1	3.2
Share-based payments	0.4	2.9	–	–
Profit on disposal of right-of-use asset	0.4	(0.6)	–	–
Depreciation and amortisation expense	18.3	15.0	–	–
Net other (income)/expense	(8.6)	7.7	(1.7)	–
Carried interest	(24.2)	(14.3)	–	–
Fair value remeasurement of investments	(40.7)	(56.9)	–	–
Net exchange (gains)/losses	(1.1)	(1.1)	0.1	–
(Increase)/decrease in trade and other receivables	(46.4)	(10.3)	86.9	(108.5)
Increase/(decrease) in trade and other payables	6.9	(2.1)	(22.0)	23.6
Cash generated from operations	35.6	6.1	66.3	(107.5)

(b) Cash outflows from leases

	Group	
	2022 £ m	2021 £ m
Financing	7.6	9.6
Operating	0.3	0.2
Cash generated from leases	7.9	9.8

The Company has no leases (2021: nil).

Notes to the consolidated and Company financial statements *continued*

(c) Reconciliation of liabilities arising from financial activities

	Group					
	1 January 2022 £ m	Cash flows £ m	Net additions/ (disposals) £ m	Fair value movements £ m	Foreign exchange movements £ m	31 December 2022 £ m
Borrowings	–	–	–	–	–	–
Fair value of consolidated CLO liabilities	241.4	–	340.7	(8.9)	24.3	597.5
Lease liabilities	84.8	(7.6)	6.0	–	–	83.2
Total	326.2	(7.6)	346.7	(8.9)	24.3	680.7

	Group					
	1 January 2021 £ m	Cash flows £ m	Net additions/ (disposals) £ m	Fair value movements £ m	Foreign exchange movements £ m	31 December 2021 £ m
Borrowings	99.7	(97.7)	–	–	(2.0)	–
Fair value of consolidated CLO liabilities	256.6	–	–	0.4	(15.6)	241.4
Lease liabilities	42.0	(9.6)	52.4	–	–	84.8
Total	398.3	(107.3)	52.4	0.4	(17.6)	326.2

The Company has no borrowings or lease liabilities (2021: nil).

25 Related party transactions

(a) Key management compensation

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.

	Group	
	2022 £ m	2021 £ m
Salary, bonus and other benefits	1.6	5.0
Total	1.6	5.0

Further information on the remuneration of the directors can be found in the Remuneration Report on page 112.

(b) Directors' emoluments

The directors of the Company since their appointment or the point of their resignation were remunerated by the Group as set out below. The aggregate value of remuneration expenses in relation to pensions and share based payments are less than £0.1m.

	Group	
	2022 £ m	2021 £ m
Salary, bonus and other benefits	2.1	6.6
Total	2.1	6.6

(c) Transactions with directors

On 31 March 2022, Adam Jones was granted a conditional share award of 71,428 shares at a value of £3.50 per share, with total value £250,000, vesting on 31 March 2025.

In 2021, on the Company's listing 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, Adam Jones and William Jackson were granted 10,000 and 25,000 A3 shares respectively in the capital of the Company for consideration of £1.50 per share.

(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 2022 have committed amounts from their personal resources across multiple funds totalling £15.6m (the directors at 31 December 2021: £11.8m).

(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	
	2022 £ m	2021 £ m
Amounts received from funds	264.3	216.0
Amounts receivable from funds	49.7	39.6

26 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.

27 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	
	2022 £ m	(Restated) 2021 £ m
Balance as at 1 January	1,022.6	448.0
Increase in investment in subsidiary	0.4	574.6
At 31 December	1,023.0	1,022.6

The Group holds a direct interest in Bridgepoint Group Holdings Limited as at 31 December 2022 representing 100% (2021: 100%). 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 table below shows details of subsidiaries owned directly or indirectly by Bridgepoint Group Holdings Limited as at 31 December 2022 and its ownership interest in each entity. The registered office of each subsidiary is referenced to a table below the list of subsidiaries. All subsidiaries operate in the countries where they are registered or incorporated and are stated at cost less, where appropriate, provision for impairment.

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%
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	1	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%
BCO IV LORAC Limited	1	UK	Investment holding company	Ordinary shares	100%
BCO IV SFP LP	2	UK	General Partner	N/A	–
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	Limited Partner	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	General Partner	Ordinary shares	100%
BDC Special 2 Limited	2	UK	General Partner	Ordinary shares	100%
BDC Special GP LLP	2	UK	General Partner	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%
BDL III LORAC Limited	1	UK	Investment holding company	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%
BEV 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	General Partner	Ordinary shares	100%
BE VI GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BE VI GP LLP	2	UK	General Partner	N/A	–
BE VI GP LP	2	UK	General Partner	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%
BE VII GP SCSp	3	Luxembourg	General Partner	N/A	–
BG II GP LLP	1	UK	General Partner	N/A	–
BG II Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint AB	5	Sweden	Private equity advisory company	Ordinary shares	100%
Bridgepoint Advantage Limited	1	UK	Dormant entity	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 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 Directorships Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital General Partner 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 Verwaltungs GmbH	6	Germany	General Partner	Ordinary shares	100%
Bridgepoint Charitable Trust	1	UK	Charitable Trust	N/A	–
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	12	France	Credit fund management company	Ordinary shares	100%
Bridgepoint Credit GP Verwaltungs GmbH	13	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%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Credit Opportunities II GP Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Credit Opportunities II GP LP	2	UK	General Partner	N/A	–
Bridgepoint Credit Opportunities III GP Limited	2	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) Ltd	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	1	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 L.P.	2	UK	General Partner	N/A	–
Bridgepoint Europe IV General Partner 'F' L.P.	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 V Finance 1 Limited	1	UK	Dormant entity	Ordinary Shares	100%
Bridgepoint Europe VII (GP) S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Europe VII FP Limited	1	UK	Founder Partner	Ordinary shares	100%
Bridgepoint Europe VII FP SGP Limited	2	UK			
Bridgepoint Europe VII GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe VII GP LLP	1	UK	General Partner	N/A	–
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 Fund Management S.à r.l.	3	Luxembourg	Private equity management company	Ordinary Shares	100%
Bridgepoint GmbH	6	Germany	Private equity advisory company	Ordinary shares	100%
Bridgepoint GP2 LLP	2	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 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	8	China	Private equity advisory company	Ordinary shares	100%
Bridgepoint Loan Fund GP S.à.r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Netherlands B.V.	9	Netherlands	Private equity advisory company	Ordinary shares	100%
Bridgepoint Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint SAS	7	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	10	Spain	Private equity advisory company	Ordinary shares	100%
Bridgepoint Services Sàrl	3	Luxembourg	Private equity advisory company	Ordinary shares	100%
Bridgepoint Sp Zoo	11	Poland	Private equity advisory company	Ordinary shares	100%
Bridgepoint Sp Zoo sp.k	11	Poland	Private equity advisory company	N/A	–
Bridgepoint Structured Credit Limited	1	UK	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	14	United States	Private equity advisory company	Ordinary shares	100%
Burgundy GP LLP	1	UK	General Partner	Ordinary shares	100%
Burgundy GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
GeorgeTown (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%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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 II 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 Carry BC SMA II Limited	1	UK	Investment holding company	Ordinary Shares	100%
LORAC Carry BCO IV Limited	1	UK	Investment holding company	Ordinary Shares	100%
LORAC Carry BDL III 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	General Partner	N/A	–
Opal Investments LP	2	UK	Investment holding partnership	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	Investment 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	15	France	Dormant entity	Ordinary shares	100%
Vigny Participation	15	France	Dormant entity	Ordinary shares	100%
Vigny Holding	15	France	Dormant entity	Ordinary shares	100%

* The Group holds 49% of A Shares and 100% of B shares. As the Group has the power to force a compulsory purchase of the A shares and all the B shares have been bought by the Group and all profits and residuals accumulate to the B shares, the Group has deemed to control and are consolidated within the financial statements.

Ref	Registered office
1	5 Marble Arch, London, W1H 7EJ, United Kingdom
2	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland, United Kingdom
3	6B Rue du Fort Niedergrünwald, Luxembourg, L-2226, Luxembourg
4	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, Guernsey
5	Mäster Samuelsgatan 1, S-111 44 Stockholm, Sweden
6	Neue Mainzer Strasse 28, 60311 Frankfurt, Germany
7	21 Avenue Kleber, 75116, Paris, France
8	Unit 2103-05, ONE ICC, No 999 Middle Huaihai Road, Shanghai, Xuhui District, China
9	Amstelveenseweg 760, 1081JK, Amsterdam, Netherlands
10	Calle Rafael Calvo, 39A-4º - 28010 Madrid, Spain
11	ul. Rondo ONZ 1, 00-124, Warsaw, Poland
12	21 rue La Pérouse, 75116, Paris, France
13	C/O Steigmaier Steuerberatungsgesellschaft mbH, Schleissheimer Str. 12, 85221, Dachau, Germany
14	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington Newcastle DE 19808, United States
15	21 rue La Pérouse, 75017, Paris, France

Notes to the consolidated and Company financial statements *continued*

(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 they 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	49.1%
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 or loss for the above entities for the years ended 31 December 2021 and 2022 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.

Name of structured entities:	Country of incorporation	Group's proportion of ownership interest	Nature of interest	Periods consolidated
BE VI (French) Co-Invest LP	United Kingdom	86.2%	Limited partner	All periods Year ended 31 December 2022
BDC IV (French) Co-Investment LP	United Kingdom	51.9%	Limited partner	All periods Year ended 31 December 2022
Bridgepoint CLO 1 DAC	Ireland	55%	Subordinated note in the residual class	All periods Year ended 31 December 2022
Bridgepoint CLO 3 DAC	Ireland	51%	Subordinated note in the residual class	All periods Year ended 31 December 2022
Bridgepoint CLO 4 DAC	Ireland	50%	Warehouse equity	All periods Year ended 31 December 2022
Opal Investments LP	United Kingdom	85.0%	Limited partner	All periods Year ended 31 December 2022
Maple Tree VII LP	United Kingdom	21.7%*	Limited partner	All periods Year ended 31 December 2022

* A control assessment of Maple Tree VII LP has been performed in accordance with its accounting policies and concluded that the Group has power and exposure to variable returns in profit sharing. As a result, the Group consolidates the vehicle. Under the limited partnership agreement, third-party investors have the right to receive the higher of a preferred return and multiple of drawn commitments, along with a share of residual profits from the partnership. As at 31 December 2022, no commitment had been drawn from the third-party investors.

(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 Consolidated Statement of Financial Position.

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	
	2022 £ m	2021 £ m
Carried interest receivable	136.4	136.3
Carried interest payable	(136.2)	(136.3)
Net assets	(0.2)	–
Result for the year	–	–
Country of domicile	UK	UK
Group's interest in the associate	25.9%	25.9%

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

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	
	2022 £ m	2021 £ m
Investments at fair value	39.5	46.6
Other assets	3.2	1.7
Total liabilities	(2.1)	(0.5)
Net assets	40.6	47.8
Profit for the year	0.7	5.8
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.

BE VI Co-Investment (Feeder) Partnership LP

The Group has an investment that has an entitlement of 45.6% of the limited partner commitments of BE VI Co-Investment (Feeder) Partnership LP. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. Accordingly, BE VI Co-Investment (Feeder) Partnership 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	
	2022 £ m	2021 £ m
Investments at fair value	12.4	7.4
Other assets	1.5	2.0
Total liabilities	(0.1)	(0.1)
Net assets	13.8	9.3
Profit for the year	2.8	1.9
Country of domicile	UK	UK
Group's interest in the associate	45.6%	52.6%

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

Notes to the consolidated and Company financial statements *continued*

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 ended 31 December 2022 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:

101 Investments (GP) Limited	BDC III GP 2 Limited	BDCP II GP 2 Limited	BEP IV GP 2 Limited
Atlantic GP 1 Limited	BDC III Limited	BDCP II MLP Limited	BEP IV MLP Limited
Atlantic GP LLP	BDC III SFP GP Limited	BDCP II SFP GP Limited	BEV FP SGP Limited
BBTPS FP GP Limited	BDC IV GP 2 Limited	BE VI FP SGP Limited	Bridgepoint Europe III FP (GP) Limited
BC GP 2 Limited	BDC IV MLP Limited	BE VI GP 2 Limited	Bridgepoint Europe IV FP (GP) Limited
BC II FP SGP Limited	BDC IV SFP GP Limited	BE VII FP Limited	Bridgepoint Europe Managerial LLP
BC II MLP Limited	BDC Special 1 Limited	BE VII FP SGP Limited	Bridgepoint Growth I GP LLP
BDC II FP GP Limited	BDC Special 2 Limited	BE VI MLP Limited	Burgundy GP LLP
BDC II Limited	BDC Special GP LLP	BEP IV FP SGP Limited	

28 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 or CIP with a right to carried interest, 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 5-25.9% with the main beneficiaries of the CIP being the other participants.

The disclosure below includes CLO 2 for the year ended 31 December 2022, which is not consolidated, as explained in note 3 (a) (2021: CLO 2 and CLO 3 were not consolidated).

The Group acts in accordance with 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 Consolidated Statement of Financial Position. The carried interest receivable is included within the Consolidated 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 2022										
Private equity funds	241.3	<2%	28.2	15.5	179.5	0.75 to 2.00%	Generally up to 20% of profits over threshold	Up to 35%	39.4	280.7
Credit funds	76.9	<2%	4.9	2.8	50.8	1.00 to 1.75%	Generally up to 20% of profits over threshold	Up to 35%	2.6	79.5
	318.2		33.1	18.3	230.3				42.0	360.2
31 December 2021										
Private equity funds	217.9	<2%	23.0	13.8	157.3	0.75 to 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 to 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

29 Events after the reporting period

On 24 January 2023, the Company announced an on-market Share Buyback Programme of up to £50.0m. The sole purpose of the Share Buyback Programme is to reduce the Company's share capital. The Share Buyback Programme commenced on 24 January 2023 and is expected to be completed on or before 30 September 2023. As at the date of the approval of the financial statements, in aggregate 3,270,273 ordinary shares have been acquired by the Company pursuant to the Share Buyback Programme and cancelled.

There have been no other material subsequent events since 31 December 2022.

Non-statutory Consolidated Statement of Financial Position, excluding CLOs

as at 31 December

	(Unaudited) 2022 £ m	(Unaudited) 2021 £ m
Assets		
Non-current assets		
Property, plant and equipment	85.5	75.8
Goodwill and intangible assets	119.6	122.6
Carried interest receivable	42.0	38.9
Fair value of fund investments*	318.2	326.0
Trade and other receivables	19.9	16.9
Total non-current assets	585.2	580.2
Current assets		
Trade and other receivables	184.9	88.2
Derivative financial assets	1.0	9.9
Cash and cash equivalents	196.0	323.1
Term deposits with original maturities of more than three months	100.0	–
Total current assets	481.9	421.2
Total assets	1,067.1	1,001.4
Liabilities		
Non-current liabilities		
Trade and other payables	13.6	43.5
Other financial liabilities	49.5	46.9
Lease liabilities	77.1	80.8
Deferred tax liabilities	19.4	19.7
Total non-current liabilities	159.6	190.9
Current liabilities		
Trade and other payables	115.5	90.2
Lease liabilities	6.1	4.0
Derivative financial liabilities	13.2	–
Total current liabilities	134.8	94.2
Total liabilities	294.4	285.1
Net assets	772.7	716.3
Equity		
Share capital	0.1	0.1
Share premium	289.8	289.8
Share-based payment reserve	3.6	3.2
Cash flow hedge reserve	(8.9)	7.5
Net exchange differences reserve	14.4	3.1
Retained earnings	473.7	412.6
Total equity	772.7	716.3

* The fair value of fund investments includes the Group's own exposures in consolidated CLOs 1, 3 and 4 of £45.2m (2021: £12.3m) as at 31 December 2022.

This unaudited non-statutory consolidated statement of financial position applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. CLOs are presented as an investment held at fair value in line with how they are managed by the Group, rather than being consolidated in accordance with IFRS 10 “Consolidated Financial Statements”.

Non-statutory Consolidated Statement of Cash Flows, excluding CLOs

for the year ended 31 December

	Unaudited 2022 £ m	Unaudited 2021 £ m
Cash flows from operating activities		
Cash generated from operations	35.6	6.1
Tax paid	(1.7)	(1.4)
Net cash inflow from operating activities	33.9	4.7
Cash flows from investing activities		
Investment in term deposits with original maturities of more than three months	(100.0)	–
Receipts from investments	74.3	69.0
Purchase of investments	(41.2)	(86.9)
Interest received	3.3	1.0
Investments in non-consolidated CLOs	(8.7)	–
Cash acquired on consolidation of intermediate fund holding entities	1.2	2.4
Payments for property, plant and equipment	(22.6)	(6.3)
Net cash flows from investing activities	(93.7)	(20.8)
Cash flows from financing activities		
Receipt from non-controlling interest	–	114.3
Proceeds from issue of shares by subsidiary	–	4.7
Proceeds from issue of shares by the Company	–	305.1
IPO costs	(1.8)	(18.0)
Dividends paid to shareholders of the Company	(62.8)	(30.0)
Drawings on banking facilities	–	49.2
Repayment of banking facilities	–	(146.9)
Drawings from related party investors in intermediate fund holding entities	3.8	7.3
Principal elements of lease payments	(4.1)	(6.8)
Receipts from sale and repurchase of holdings in non-consolidated CLOs	–	28.1
Interest paid	(4.7)	(5.9)
Net cash flows from financing activities	(69.6)	301.1
Net (decrease)/increase in cash and cash equivalents	(129.4)	285.0
Cash and cash equivalents at the beginning of the year	323.1	42.3
Effect of exchange rate changes on cash and cash equivalents	2.3	(4.2)
Cash and cash equivalents at the end of the year	196.0	323.1

This unaudited non-statutory consolidated statement of cash flows applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. Consolidated CLO cash is not presented in the opening or closing cash positions in this statement and all cash flows relate to the non-CLO activities of the Group.

Shareholder information

Corporate website

The Company's website at bridgepoint.eu 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

5 Marble Arch
London, W1H 7EJ.

Telephone: +44 (0) 20 7034 3500

Registered in England and Wales
Company No. 11443992

Corporate brokers

J.P. Morgan Cazenove

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Morgan Stanley

25 Cabot Square
Canary Wharf
London, E14 4QA.

BNP Paribas

10 Harewood Avenue
London, NW1 6AA.

Auditor

Mazars LLP

30 Old Bailey
London, EC4M 7AU.

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	27 April 2023
Record date	28 April 2023
Annual General Meeting	18 May 2023
Payment date for dividend	23 May 2023
Half-year results	25 July 2023

Glossary

Annual Report	this annual report and accounts;
APM	alternative performance measure;
Articles	the Articles of Association of the Company;
AUM	assets under management;
Board	the board of directors of the Company;
BREEAM	Building Research Establishment Environmental Assessment Method;
BVCA	British Private Equity & Venture Capital Association;
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;
EBITDA	earnings before interest, tax, depreciation and amortisation;
EPS	earnings per share;
FCA	the Financial Conduct Authority;
FRE	fee related earnings;
Group or Bridgepoint	the Company and each of its direct and indirect subsidiaries;
IFRS	International Financial Reporting Standards;
IPO	the initial public offering of the Company's ordinary shares;
KPI	key performance indicator;
PCAF	Partnership for Carbon Accounting Financials;
SECR	Streamlined Energy and Carbon Reporting;
SFDR	Sustainable Finance Disclosure Regulation;
subsidiary	has the meaning given to it in the Companies Act 2006;
TCFD	Task Force on Climate-Related Financial Disclosures;
UN PRI	United Nations Principles for Responsible Investment; and
UN SDGs	United Nations Sustainable Development Goals.



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Bridgpoint Group plc 2022 Annual Report & Accounts

