

Bridgepoint Group plc

Bridgepoint announces strong full year results driven by resilient fund performance

Key highlights include:

Financials

- Revenues and underlying EBITDA increased in 2022 by 13.6% and 23.2% vs FY 2021 to £307.4 million and £140.3 million respectively;
- 21.2% increase in fee paying AUM to €23.4 billion vs €19.3 billion in FY 2021;
- 55.5% increase in Underlying FRE (Underlying Fee Related Earnings) in FY 2022 to £75.4 million compared to FY 2021;
- FRE margin growth of 6.8 percentage points arising from growth in underlying AUM and careful cost control in an inflationary environment. Cost growth slower than expected to date, with the remainder expected to be incurred in the near term; and
- €4.7 billion of capital deployed in 2022 in line with expectations (2021: €5.2 billion).

Fundraising

- Good progress with capital raising across products in market with BE VII receiving €5.4bn of commitments to date (up from €4 billion at June 2022) and continued progress towards €7 billion target following good momentum into 2023;
- Fundraise progress driven by strong absolute and relative fund performance, middle market positioning, diverse sector focus and disciplined fund construction; and
- BG II, BDL III and BCO IV also all making progress with BDC V launch likely later in 2023 (with BDC V fees expected to start from Q1 2025).

Fund performance

- Disciplined investment approach continues to deliver strong returns despite market volatility;
- Fund performance metrics benefitting from excellent progress with exits and continued strong underlying portfolio company organic revenue growth across the majority of equity assets;
- Key equity funds BE VI (2019) and BDC III (2016) both performed at or ahead of plan in 2022 with strong net IRR, TVPI and DPI metrics for their respective vintage years. BE V (2015) was flat vs 2021 at 2.4x after posting very strong exits in the first quarter;
- BE V has now returned 1.6x its original invested capital, with €3.9 billion of fund capital returned since the IPO driving DPI from 48% at FY 2020 to 140% at year end. This fund still has a range of further attractive assets yet to be realised;
- Flagship credit funds currently in market are on track with their investment pace and showing performance in line with target returns: BDL III (2021) has committed €1.7bn to 25 companies; BCO IV (2021) continues to find attractive market opportunities and has invested €316 million across 24 investments with 6 exits; and
- Within Private Credit, the Syndicated Debt strategy continued to scale the firm's CLO business, demonstrating its ability to execute deals in all conditions. Bridgepoint CLO 4 was priced in Q4, taking total CLO AUM to c.€1.4 billion when closed in January 2023.

Proposed final dividend

- Final dividend of 4.0 pence per share to be paid, subject to shareholder approval at AGM, following the payment of an interim dividend of 4.0 pence per share in September.

Commenting on this performance, William Jackson, Bridgepoint Group Chairman, said:

“Bridgepoint is one of the world’s leading middle market alternative investment companies, focusing on supporting high growth businesses in sectors or niches which enjoy structural tailwinds and where we have strong investment conviction. This positioning has been especially rewarding in 2022.”

“Bridgepoint delivered strong returns for fund investors in 2022 despite wider market uncertainty. This has driven our company financial performance in the last 12 months with an attractive combination of growth and resilience thanks to a longstanding disciplined investment approach which has been tested and refined through cycles.”

“Looking ahead we expect our business to continue to benefit from growth tailwinds in the alternative sector, long duration capital, a strong balance sheet, an asset light model, high and stable margins and strong cash conversion. This position has been enhanced by further progress with fundraising activity in 2022 and on track capital deployment and distributions – with our funds taking advantage of attractive opportunities brought about by the current times.”

Presentation and Q&A

Management will hold a webcast to answer questions from analysts and investors at 8.30 am UK time on Thursday 16 March 2023

Join via weblink:

<https://www.lsegissuerservices.com/spark/BRIDGEPOINTGROUP/events/007eef46-f68f-48ac-a428-00387813f1dc>

Register for conference call:

<https://cossprereg.btc.com/prereg/key.process?key=PEVP8W4JF>

The slides from this presentation will be available on the company's website:

<https://www.bridgepoint.eu/shareholders/financial-information/results-reports-and-presentations>

FINAL DIVIDEND PAYMENT TIMETABLE

If approved, the timetable for the payment of the proposed final dividend of 4.0 pence per share announced today is as follows:

Ex-dividend date: 27 April 2023
Record date: 28 April 2023
Payment date: 23 May 2023

ENQUIRIES

Bridgepoint

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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 operating expenses	(170.3)	(185.3)	(8.1)%
Total operating 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%

Consolidated summarised balance sheet

£ 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%

Key metrics

	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 FPAUM (%)	1.2%	1.2%	-0.0ppt
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 operating 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 (p)	14.64	7.02	108.7%
Adjusted pro forma basic and diluted EPS (p)	13.75	10.41	32.1%

Reconciliation between statutory and underlying income statements

£ million	Year ended 31 December 2022			Year ended 31 December 2021		
	Underlying	Excluded items	Reported	Underlying	Excluded items	Reported
Management and other fees	241.5	-	241.5	197.7	-	197.7
Fair value remeasurement of investments and carried interest	64.9	-	64.9	71.2	-	71.2
Other operating income	1.0	-	1.0	1.7	-	1.7
Total operating income	307.4	-	307.4	270.6	-	270.6
Personnel expenses	(125.8)	(1.1)	(126.9)	(121.4)	(11.3)	(132.7)
Other operating expenses	(42.4)	(2.1)	(44.5)	(36.4)	(17.3)	(53.7)
Foreign exchange gains/(losses)	1.1	-	1.1	1.1	-	1.1
Total expenses	(167.1)	(3.2)	(170.3)	(156.7)	(28.6)	(185.3)
EBITDA	140.3	(3.2)	137.1	113.9	(28.6)	85.3
<i>EBITDA Margin</i>	<i>46%</i>		<i>45%</i>	<i>42%</i>		<i>32%</i>
FRE	75.4	(3.2)	72.2	48.5	(28.6)	19.9
<i>FRE Margin</i>	<i>25%</i>		<i>23%</i>	<i>24%</i>		<i>10%</i>
Depreciation and amortisation expense	(15.3)	(3.0)	(18.3)	(11.9)	(3.1)	(15.0)
Net other expenses	(5.0)	13.6	8.6	(11.5)	3.8	(7.7)
Profit Before Tax	120.0	7.4	127.4	90.5	(27.9)	62.6
Tax	(6.8)	-	(6.8)	(4.8)	-	(4.8)
Profit After Tax	113.2	7.4	120.6	85.7	(27.9)	57.8

CHAIRMAN'S STATEMENT

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 €38bn, helping to generate a 14% year-on-year rise in 2022 total operating income to £307m and a 55% rise in underlying FRE to £75m.

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 £140.3m and £120.0m 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 €5.4bn of commitments for BE VII, up from €4bn 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 8 platform investments, committing €1.8bn, and returned €3.3bn to investors.

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 some €348m to the €858m acquisition of MiQ, a high growth programmatic advertising business, and the €865m 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 €2.9bn 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.

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, capable of delivering strong growth, 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.

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. Frederic 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, through international expansion, operational improvement or acquisitions. 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.

William Jackson
Executive Chairman

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 a 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.

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

Financial Summary

	2022	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%	+3.5p
Underlying FRE (£m)	75.4	48.5	55.5%
Underlying FRE margin (%)	31.1%	24.3%	+6.8p
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%

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 continue through during 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.

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.

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.

Total Fee Paying AUM development during the year

€ billion	Private equity	Credit	Total
31 December 2021	13.7	5.6	19.3
Fundraising	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.

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EBITDA	137.1	85.3	60.7%
Underlying EBITDA	140.3	113.9	23.2%
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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%
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Tax	(6.8)	(4.8)	41.7%
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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 from the calculation. 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.

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, when 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/(losses)	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.

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 increased 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 remeasurement and retranslation into Sterling of the deferred contingent consideration payable to EQT AB 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.

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

Summarised consolidated balance sheet (excluding third party CLO assets and liabilities, non-statutory) £ 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%

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 information interprets the cash flows of the Group, therefore a cash flow statement without the consolidated CLO vehicles is presented below.

Summarised consolidated cash flow statement (excluding cash flows relating to consolidated CLOs, non-statutory) £ million	Year ended 31 December 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)%

ALTERNATIVE PERFORMANCE MEASURES

The use of APMs

These preliminary full-year results include several measures which are not defined or recognised under IFRS (“International Financial Reporting Standards”), including financial and operating measures relating to the Group such as EBITDA, Underlying EBITDA, Underlying EBITDA margin, Underlying 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 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 this financial information 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 announcement.

EBITDA	Earnings before interest, taxes, depreciation and amortisation. It is calculated by reference to total operating income and deducting from it, or adding to it, as applicable, personnel expenses and other expenses as well as foreign exchange gains/(losses).																		
Underlying EBITDA	Calculated by excluding exceptional items 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.																		
	<table border="1"> <thead> <tr> <th>£ million</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td>137.1</td> <td>85.3</td> </tr> <tr> <td>Add back: exceptional items</td> <td>3.2</td> <td>28.6</td> </tr> <tr> <td>Underlying EBITDA</td> <td>140.3</td> <td>113.9</td> </tr> </tbody> </table>	£ million	2022	2021	EBITDA	137.1	85.3	Add back: exceptional items	3.2	28.6	Underlying EBITDA	140.3	113.9						
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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.																		
	<table border="1"> <thead> <tr> <th>£ million</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Underlying EBITDA</td> <td>140.3</td> <td>113.9</td> </tr> <tr> <td>Less: carried interest</td> <td>(24.2)</td> <td>(14.3)</td> </tr> <tr> <td>Less: fair value remeasurement of investments</td> <td>(40.7)</td> <td>(56.9)</td> </tr> <tr> <td>Add back: investment linked bonuses</td> <td>-</td> <td>5.8</td> </tr> <tr> <td>Underlying FRE</td> <td>75.4</td> <td>48.5</td> </tr> </tbody> </table>	£ million	2022	2021	Underlying EBITDA	140.3	113.9	Less: carried interest	(24.2)	(14.3)	Less: fair value remeasurement of investments	(40.7)	(56.9)	Add back: investment linked bonuses	-	5.8	Underlying FRE	75.4	48.5
£ million	2022	2021																	
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Underlying FRE margin	Underlying FRE as a percentage of total operating income excluding carried interest and income from the fair value remeasurement of investments.																		
Underlying operating profit	Calculated by excluding exceptional items and the amortisation of intangible assets from within operating profit.																		
	<table border="1"> <thead> <tr> <th>£ million</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Operating profit</td> <td>118.8</td> <td>70.3</td> </tr> <tr> <td>Add back: exceptional items within EBITDA</td> <td>3.2</td> <td>28.6</td> </tr> <tr> <td>Add back: amortisation of intangible assets</td> <td>3.0</td> <td>3.1</td> </tr> <tr> <td>Total underlying operating profit</td> <td>125.0</td> <td>102.0</td> </tr> </tbody> </table>	£ million	2022	2021	Operating profit	118.8	70.3	Add back: exceptional items within EBITDA	3.2	28.6	Add back: amortisation of intangible assets	3.0	3.1	Total underlying operating profit	125.0	102.0			
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Underlying operating profit margin	Underlying operating profit as a percentage of total operating income.																		

Underlying profit before tax	Calculated by excluding exceptional items and the amortisation of intangible assets from within profit before tax.		
	£ million	2022	2021
	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 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 within profit after tax.

Underlying profit after tax margin Underlying profit after tax 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.

Current assets (excluding third-party CLO assets) Calculated by excluding third-party consolidated CLO current assets from total current assets as defined from IFRS.

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.

Current liabilities (excluding third-party CLO liabilities) Calculated by excluding third-party consolidated CLO current liabilities from total current liabilities as defined from IFRS.

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.

	£ million	2022	2021
	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
	Add back: exceptional net other income	(13.6)	(3.8)
	Total underlying profit after tax	0.0	0.0
	Pro forma number of shares (m)	113.2	85.7
	Underlying pro forma basic and diluted EPS (pence)	823.3	823.3

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	<p>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.</p> <p>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.</p>
Management fee margin on Fee Paying AUM	<p>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.</p>

PRINCIPAL RISKS AND UNCERTAINTIES

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 sets out the Group's key risks identified and the primary mitigating actions, controls or monitors implemented for each risk.

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.

Fundraising challenges

Category: Strategic and External

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

Category: Strategic and External

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

Category: Strategic and External

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

Category: Investment

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 investments, 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.

Decreased pace or size of investments made by Bridgepoint funds

Category: Investment

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

Category: Operational

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

Category: Operational

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

Category: Operational

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.

FINANCIAL INFORMATION

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.

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 income statement in subsequent years:			
Exchange differences on translation of foreign operations		11.3	(3.6)
Change in the fair value of hedging instrument		(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 for the year net of tax		118.8	63.3
Total comprehensive income attributable to:			
Equity holders of the parent		118.8	63.3

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), (c)	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.

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

for the year ended 31 December	Note	Share capital £ m	Share premium £ m	Capital redemption reserve £ m	Share-based payment reserve £ m	Cash flow hedge reserve £ m	Net exchange differences reserve £ m	Retained earnings £ m	Total £ m	Non-controlling interests £ m	Total equity £ m
At 1 January 2021		240.9	0.5	24.6	–	(2.2)	5.3	39.7	308.8	81.7	390.5
Profit for the year		–	–	–	–	–	–	57.8	57.8	–	57.8
Other comprehensive income		–	–	–	–	11.2	(3.6)	(2.1)	5.5	–	5.5
Total comprehensive income		–	–	–	–	11.2	(3.6)	55.7	63.3	–	63.3
Share capital issuance		–	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

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)
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 the year		220.6	327.3

- 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.

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 asset	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

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

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

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
Loss 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

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 2021		240.9	0.5	24.6	–	–	190.5	456.5
Loss for the year		–	–	–	–	–	(24.3)	(24.3)
Other comprehensive income		–	–	–	–	–	–	–
Total comprehensive expense		–	–	–	–	–	(24.3)	(24.3)
Share capital issuance	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

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

- 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.

Notes to the consolidated and company financial information

1. General information and basis of preparation

General information

Bridgepoint 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 financial information set out in this preliminary announcement does not constitute the Company’s statutory accounts for the years ended 31 December 2022 or 31 December 2021. The financial information for 2021 is derived from the statutory accounts for that year which have been delivered to the Register of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006. The audit of the statutory accounts for the year ended 31 December 2022 is substantially complete, with only a number of minor procedural matters outstanding. These accounts will be finalised on the basis of the financial information presented by the directors in this results announcement and will be delivered to the Registrar of Companies following the Company’s annual general meeting.

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 information for the year ended 31 December 2022 comprise the financial information of the Group and the Company.

The consolidated financial information of the Group and the Company’s financial information 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 information has 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 information 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 information 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 information 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 information:

- 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 information 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 this financial information:

- 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. The Company agreed to make the above changes within its 2022 financial information.

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 information 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 release of this financial information 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.

Company financial information

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 information. The Company’s profit for the year amounted to £2.9m (2021: loss of £24.3m).

2. Accounting policies

(a) Consolidation

The consolidated financial information 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.

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 information 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 profit and loss period are translated using the opening spot rate for the month; and
- all resulting exchange differences are recognised in other comprehensive income

(c) Operating income

Operating income primarily comprises 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 measurements of the Group’s investments in private equity and credit funds. Details of the valuation of such investments is explained further within note 3.

Other operating income

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

Amounts 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.

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 finance income, finance expenses and taxes. Operating profit is an alternative performance measure and non-IFRS measure.

(h) Leases

Leases for office premises

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

(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

A financial asset is initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the assets contractual cash flows. The measurement categories for financial assets are as follows:

- fair value through profit or loss;
- fair value through other comprehensive income; and
- amortised cost.

Financial assets must be measured through profit of loss unless they are measured at amortised cost or through other comprehensive income. The Group's investments in funds and investments in CLOs are measured at fair value through profit of loss as such assets are held for investment returns.

Derivative instruments used for hedging foreign exchange, are measured at fair value through profit of loss. Where they qualify for hedge accounting the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income until the recognition of the hedged transaction affects profit or loss, at which point the amount recognised in other comprehensive income is recycled to the income statement.

Financial assets are measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trade and other receivables are short-term receivables relating to non-financing transactions and are therefore subsequently measured at amortised cost using the effective interest 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, with the exception of financial liabilities at or designated at fair value through profit or loss, are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derivative financial liabilities are initially measured at fair value and are subsequently measured at fair value at each reporting date.

Liabilities of CLOs consolidated by the Group are designated as financial liabilities measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss related to CLOs are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value recognised through the fair value remeasurements of investments line within the 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 financial information 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 information of the Company and are consolidated within the financial information.

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.

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.

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 information 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 information 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 information 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 per cent 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.

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.

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, net finance expense 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

Year ended 31 December 2022	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
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 finance expense						8.6
Profit before tax						127.4

Group

Year ended 31 December 2021	Private Equity £ m	Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
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 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 finance expense						(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	2021
	£ m	£ 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	2021
	£ m	£ 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 per cent 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	2021
Carried interest income:	£ m	£ m
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.

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	2021
	£ m	£ 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	2021
	£ m	£ 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		IPO Share Award	
	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 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

b) Low-value asset leases

	Group	
	2022 £ m	2021 £ m
Expense relating to low-value assets leases		
Low-value assets 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 information. 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	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ 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.

11. Tax expense

(a) Tax expense

Tax charged in the Consolidated Statement of Profit or Loss:

	Group	
	2022	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ 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

	Group	
	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

Cost	Right-of-use assets	Leasehold improvements	Computers, furniture and other	Total
	£ m	£ m	£ m	
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)	(1.9)	(14.3)
Balance at 31 December 2022	73.1	29.8	12.4	115.3
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	1.9	13.3
Balance at 31 December 2022	(17.6)	(4.2)	(8.0)	(29.8)
Carrying value at 31 December 2022	55.5	25.6	4.4	85.5

Group

Cost	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	Total £ m
Balance at 1 January 2021	50.1	9.9	10.0	70.0
Foreign exchange	–	(0.2)	(0.1)	(0.3)
Additions	65.1	5.5	1.0	71.6
Disposals	(37.8)	–	(0.1)	(37.9)
Balance at 31 December 2021	77.4	15.2	10.8	103.4
Accumulated depreciation				
Balance at 1 January 2021	(17.5)	(4.3)	(6.6)	(28.4)
Foreign exchange	–	0.1	0.1	0.2
Depreciation	(9.0)	(1.4)	(1.5)	(11.9)
Disposals	12.3	–	0.2	12.5
Balance at 31 December 2021	(14.2)	(5.6)	(7.8)	(27.6)
Carrying value at 31 December 2021	63.2	9.6	3.0	75.8

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

14. Goodwill and intangible assets

Group

Cost	Goodwill £ m	Intangibles £ m	Total £ m
Balance at 1 January 2022	105.1	21.2	126.3
Balance at 31 December 2022	105.1	21.2	126.3
Accumulated depreciation 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

Cost	Goodwill £ m	Intangibles £ m	Total £ m
Balance at 1 January 2021	105.1	21.2	126.3
Balance at 31 December 2021	105.1	21.2	126.3
Accumulated depreciation and impairment			
Balance at 1 January 2021	–	(0.6)	(0.6)
Amortisation	–	(3.1)	(3.1)
Balance at 31 December 2021	–	(3.7)	(3.7)
Carrying value			
Balance at 1 January 2021	105.1	20.6	125.7
Balance at 31 December 2021	105.1	17.5	122.6

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	2021
	£ m	£ 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

As at 31 December 2022	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Fair value of fund investments	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

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Fair value of fund investments	313.7	–	–	–	313.7
Fair value of CLO assets	286.8	–	–	–	286.8
Trade and other receivables	–	–	76.4	28.7	105.1
Derivative financial 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

Company

As at 31 December 2022	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Trade and other receivables	–	–	20.3	–	20.3
Cash and cash equivalents	–	–	114.0	–	11
Term deposits with original maturities of more than three months	–	–	50.0	–	50.0
Total	–	–	184.3	–	184.3

Company

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial assets at amortised cost £ m	Assets which are not financial assets £ m	Total £ m
Trade and other receivables	–	–	106.5	–	106.5
Cash and cash equivalents	–	–	159.0	–	159.0
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	2021
	£ m	£ 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	2021	2022	2021
	£ m	£ m	£ m	£ 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	11.4	–	–
Deferred investment receipts	52.8	–	–	–
Other receivables	94.7	58.0	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

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 proceeds receivable

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

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
Due within 1 year	2.5	1.4
Due between 1-2 years	2.5	2.5
Due between 2-3 years	2.5	2.5
Due between 3-4 years	2.5	2.5
Due between 4-5 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

As at 31 December 2022	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	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

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	30.3	–	39.0	64.4	133.7
Other financial liabilities	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

As at 31 December 2022	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	–	–	1.1	–	1.1
Total financial liabilities	–	–	1.1	–	1.1

Company

As at 31 December 2021	Fair value through profit or loss £ m	Hedging derivatives £ m	Financial liabilities at amortised cost £ m	Liabilities which are not financial liabilities £ m	Total £ m
Trade and other payables	–	–	23.1	–	23.1
Total financial liabilities	–	–	23.1	–	23.1

(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 Bridgepoint Direct Lending III and Bridgepoint 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, Bridgepoint Credit Holdings Limited, issued shares to certain employees of the Group as part of a management incentive scheme. The shares are subject to a put and call option, whereby the participating employees have the option to sell and the Group has the option to buy back the shares in the future based upon a pre-determined formula which considers the amount of funds raised and the resulting management fees over a five-year period. The scheme has been accounted for as an other long-term employment benefit under IAS 19 "Employment Benefits" as it is not linked to the value of the equity of Bridgepoint 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 Bridgepoint 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	2021
	£ m	£ 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) Amounts payable to related party investors in intermediate fund holding entities

The Group consolidates a number of limited partnerships through which some of the Group's investment in funds is held. The Group's interest only constitutes a portion of the total and therefore other financial liabilities include the fair value of the amounts due to external parties, who are related party investors, under the limited partnership agreement. 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).

(e) Consolidated CLO liabilities

	Group	
	2022	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ 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	2021
	£ m	£ m
Lease liabilities		
Current	6.1	4.0
Non-current	77.1	80.8
	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 £5.5m (2021: nil).

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	2021
	£ m	£ 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	2021
	£ m	£ m
Interest on lease liability	3.4	2.8

The Company has no lease liabilities (2021: nil).

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 control ling 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/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 funds	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.	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: <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; and– Exit expectations and other company specific factors. The resulting enterprise value is then adjusted to take into account the capital structure of the portfolio company, including any assets or

liabilities such as cash or debt that should be included. The funds share of the value is calculated by calculating its holding.

At 31 December 2022, 97% (2021: 97%) of private equity fund investments were valued using the earnings multiple approach.

Listed price	Where a portfolio company has instruments traded on a recognised exchange the traded price is used to value the investment.	The traded price is applied to the number of shares held by the fund in the portfolio company. The value is then adjusted to take into account any assets or liabilities in holding entities outside of the listed company. As at 31 December 2022, there were two listed portfolio companies (3%) (2021: 3%) which were priced using the prevailing share price.
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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.
				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.
				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	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.	determine the value of the loan. As at 31 December 2022, 4% (2021: 4%) of the Credit fund assets were priced using earnings basis.
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 consideration	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				

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	2021
	£ m	£ 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	2021
	£ m	£ m
Ineffective portion recognised in the Income Statement	-	-
Effective portion recognised in the Other Comprehensive Income	(10.5)	12.8
Released to the Income Statement on 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	2021
	m	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 P&L 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	2021
	£ m	£ 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).

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	2021
	£ m	£ 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).

Group

As at 31 December 2022	Due within 1 year £ m	Due between 1 and 2 years £ m	Due within 2 and 5 years £ m	Due more than 5 years £ m	Total £ m
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	7.2	8.9	38.8	47.1	102.0
Consolidated CLO liabilities	84.5	47.0	398.5	249.5	779.5
Consolidated CLO purchases awaiting settlement	120.6	–	–	–	120.6
	307.4	60.7	440.5	326.3	1,134.9

Group

As at 31 December 2021	Due within 1 year £ m	Due between 1 and 2 years £ m	Due within 2 and 5 years £ m	Due more than 5 years £ m	Total £ m
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

Company

	Due within 1 year	Due between 1 and 2 years	Due within 2 and 5 years	Due more than 5 years	Total
As at 31 December 2022	£ m	£ m	£ m	£ m	£ m
Trade and other payables	1.1	–	–	–	1.1
	1.1	–	–	–	1.1

Company

	Due within 1 year	Due between 1 and 2 years	Due within 2 and 5 years	Due more than 5 years	Total
As at 31 December 2021	£ m	£ m	£ m	£ m	£ 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	2021
	£ m	£ 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).

	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 (to)/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 fee 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 fee 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.

22. Equity

(a) Share capital and premium

Allotted, called up and fully paid shares

	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
	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 admission to the London Stock Exchange, which equates to £9.61 per share.

An interim dividend of £33.0 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 4 May 2023. This equates to £33.0 million, ignoring the shares repurchased and cancelled pursuant to the ongoing share buyback programme.

	2022		2021	
	£m	Pence per share	£m	Pence per share
Ordinary dividends paid:				
Interim	32.8	4.0	30.0	961.00
Proposed final dividend	33.0	4.0	30.0	3.64

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	(32.3)	(10.3)	86.9	(108.5)
(Decrease)/increase in trade and other payables	(7.2)	(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).

(c) Reconciliation of liabilities arising from financial activities

	Group					31 December 2022 £ m
	1 January 2022 £ m	Cash flows £ m	Net additions/(dispos- als) £ m	Fair value movements £ m	Foreign exchange movements £ 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					31 December 2021 £ m
	1 January 2021 £ m	Cash flows £ m	Net additions/(dispos- als) £ m	Fair value movements £ m	Foreign exchange movements £ 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.

	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.

(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.

	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 admission to the London Stock Exchange, 275,000 shares were issued to Archie Norman, 94,286 shares to Angeles Garcia-Poveda, and 75,714 shares to each of Carolyn McCall and Tim Score for consideration of £3.50 per share.

On 7 June 2021, 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 information.

	Company	
	2022 £ m	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.

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%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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%
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	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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%
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%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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%
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	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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	–
Bridgepoint Growth I GP LLP	1	UK	General Partner	N/A	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
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%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
LORAC 6 Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BC Co-Investment Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BC II Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC III Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC IV Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDC Limited	1	UK	Investment holding company	Ordinary shares	100%
LORAC BDCP 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 information.

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 Samuelsingatan 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-4° - 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

(b) Entities not consolidated

The table below shows entities that are indirect subsidiaries of the Company, but the Group does not have the power to direct activities or rights to variable returns from the entity and are therefore not consolidated in the financial information.

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Proportion of ownership interest
Bridgepoint PE CI Limited	1	UK	Investment holding company	Ordinary shares	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 information for the periods referenced.

Name of subsidiary	Country of incorporation	Company's proportion of ownership interest	Nature of interest	Periods consolidated
BE VI (French) Co-Invest LP	United Kingdom	86.2%	Limited partner	All periods
BDC IV (French) Co-Investment LP	United Kingdom	51.9%	Limited partner	Year ended 31 December 2022
Bridgepoint CLO 1 DAC	Ireland	55%	Subordinated note in the residual class	All periods
Bridgepoint CLO 3 DAC	Ireland	51%	Subordinated note in the residual class	Year ended 31 December 2022
Bridgepoint CLO 4 DAC	Ireland	50%	Warehouse equity	Year ended 31 December 2022
Opal Investments LP	United Kingdom	85.0%	Limited partner	All periods
Maple Tree VII LP	United Kingdom	21.7%*	Limited partner	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.

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	BDCP II GP 2 Limited	BEP IV GP 2 Limited
Atlantic GP 1 Limited Atlantic GP LLP	Limited BDC III Limited	BDCP II MLP Limited	BEP IV MLP Limited BEV FP SGP Limited
BBTPS FP GP Limited	BDC III SFP GP Limited	BDCP II SFP GP Limited	FP SGP Limited
BC GP 2 Limited	BDC IV GP 2 Limited	BE VI FP SGP Limited	Bridgepoint Europe III FP (GP) Limited
BC II FP SGP Limited	BDC IV MLP Limited	BE VI GP 2 Limited	Bridgepoint Europe IV FP (GP) Limited
BC II MLP Limited	BDC IV SFP GP Limited	BE VII FP Limited	Bridgepoint Europe Managerial LLP
BDC II FP GP Limited	BDC Special 1 Limited	BE VII FP SGP Limited	Bridgepoint Growth I GP LLP
	BDC Special 2 Limited	BE VI MLP Limited	Burgundy GP LLP

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 information.

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 – 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 – 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 – 2.00%	Generally up to 20% of profits over threshold	Up to 35%	36.4	254.3
Credit funds	108.1	<2%	5.9	3.8	37.9	1.00 – 1.75%	Generally up to 20% of profits over threshold	Up to 35%	2.5	110.6
	326.0		28.9	17.6	195.2				38.9	364.9

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 15 March 2023, in aggregate 2,640,081 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.

SUPPLEMENTARY INFORMATION

Non-statutory Consolidated Statement of Financial Position, excluding CLOs

as at 31 December	2022 £ m	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 instruments	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	2022 £ m	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 CLOs	(8.7)	–
Cash acquired on consolidation of intermediate fund holding entities	1.2	–
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	4.0
Principal elements of lease payments	(4.1)	(6.8)
Receipts from sale and repurchase of holdings in 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 year	196.0	323.1

DIRECTORS

The directors of Bridgepoint Group plc at 16 March 2023 are:

William Jackson
 Archie Norman
 Adam Jones
 Angeles Garcia-Poveda
 Carolyn McCall
 Tim Score
 Cyrus Taraporevala

FORWARD LOOKING STATEMENTS

This announcement may include forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “plans”, “targets”, “aims”, “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and similar expressions. These forward-looking statements reflect, at the time made, the beliefs, intentions and current targets/aims of Bridgepoint Group plc (the “**Company**”). Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this announcement are based upon various assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company, its subsidiary undertakings or the industry to differ materially from those results expressed or implied in this announcement by such forward-looking statements. No representation or warranty, express or implied, is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be given to, and no reliance should be placed on, any forward-looking statement. No statement in this announcement is intended to be nor may be construed as a profit forecast. Neither the Company, nor any of its subsidiaries nor any of their affiliates, nor any of its or their officers, employees, agents or advisers, undertake to publicly update or revise any such forward-looking statement, except to the extent required by applicable law.

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