Bridgepoint Group plc
Annual Report & Accounts

2023

Bridgepoint

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Introduction

Bridgepoint is an international alternative asset management group with offices in Europe, North America and Asia. We invest across private equity, private credit, and following the ECP transaction, infrastructure, creating value by helping build companies with greatly enhanced long-term potential.

The 2023 Annual Report for Bridgepoint Group plc incorporates:

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

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

Adam Jones
Group Chief Financial Officer
and Chief Operating Officer

20 March 2024

Find out more
bridgepoint.eu

An explanation of the alternative performance measures ("APMs") used by the Group, including underlying profit before tax, underlying EBITDA and reported and underlying earnings per share, is set out on pages 50 to 53 along with a reconciliation to statutory measures.

Financial highlights

Assets under management 2023 AUM includes €21.1bn from ECP	€61.6bn	(2022: €38.0bn) APM KPI
Management and other fees	£265.3m	(2022: £241.5m) IFRS
Underlying FRE	£95.0m	(2022: £74.3m) APM KPI
PRE	£55.3m	(2022: £64.9m) APM KPI
Underlying EBITDA	£148.8m	(2022: £139.2m) APM KPI
Underlying profit before tax	£133.8m	(2022: £120.0m) APM
Reported profit before tax	£86.0m	(2022: £127.4m) IFRS KPI
Underlying earnings per share	14.9p	(2022: 13.8p) APM

Key
APM Alternative performance measure
KPI Key performance indicator
IFRS Measure defined by IFRS

Bridgepoint at a glance

Who we are

Bridgepoint Group plc is one of the world's leading private asset growth investors. When the partnership with ECP completes, Bridgepoint will have c. €61.6 billion of assets under management ("AUM") and local presence in Europe, North America and Asia, combining global scale with local market insight and sector expertise, consistently delivering strong returns through cycles. Bridgepoint specialises in private equity, infrastructure and private credit.

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

Our investment strategies

Bridgepoint Group plc, €61.6bn AUM
(pro forma for the ECP transaction)

Private Equity €28.1bn AUM	Infrastructure €21.1bn AUM	Private Credit €12.4bn AUM
Bridgepoint Europe Bridgepoint Development Capital Bridgepoint Growth	ECP Value-add Infrastructure ECP Forestar Infrastructure Debt	Bridgepoint Direct Lending Bridgepoint Credit Opportunities Bridgepoint Syndicated Debt

→ Read more on pages 12 to 17, and 28 to 29

15
offices worldwide*

34
nationalities*

>330,000
people working for Bridgepoint and ECP-backed companies*

ESG
UN PRI 5-star rating

233
investment-related professionals*

* Following completion of ECP transaction

Our year in numbers*

Total employees (FTEs)
391

Total operating income
£321.6m
(2022: £307.4m)

Underlying EBITDA
£148.8m
(2022: £139.2m)

Underlying FRE
£95.0m
(2022: £74.3m)

Underlying earnings per share
14.9p
(2022: 13.8p)

Reported profit before tax
£86.0m
(2022: £127.4m)

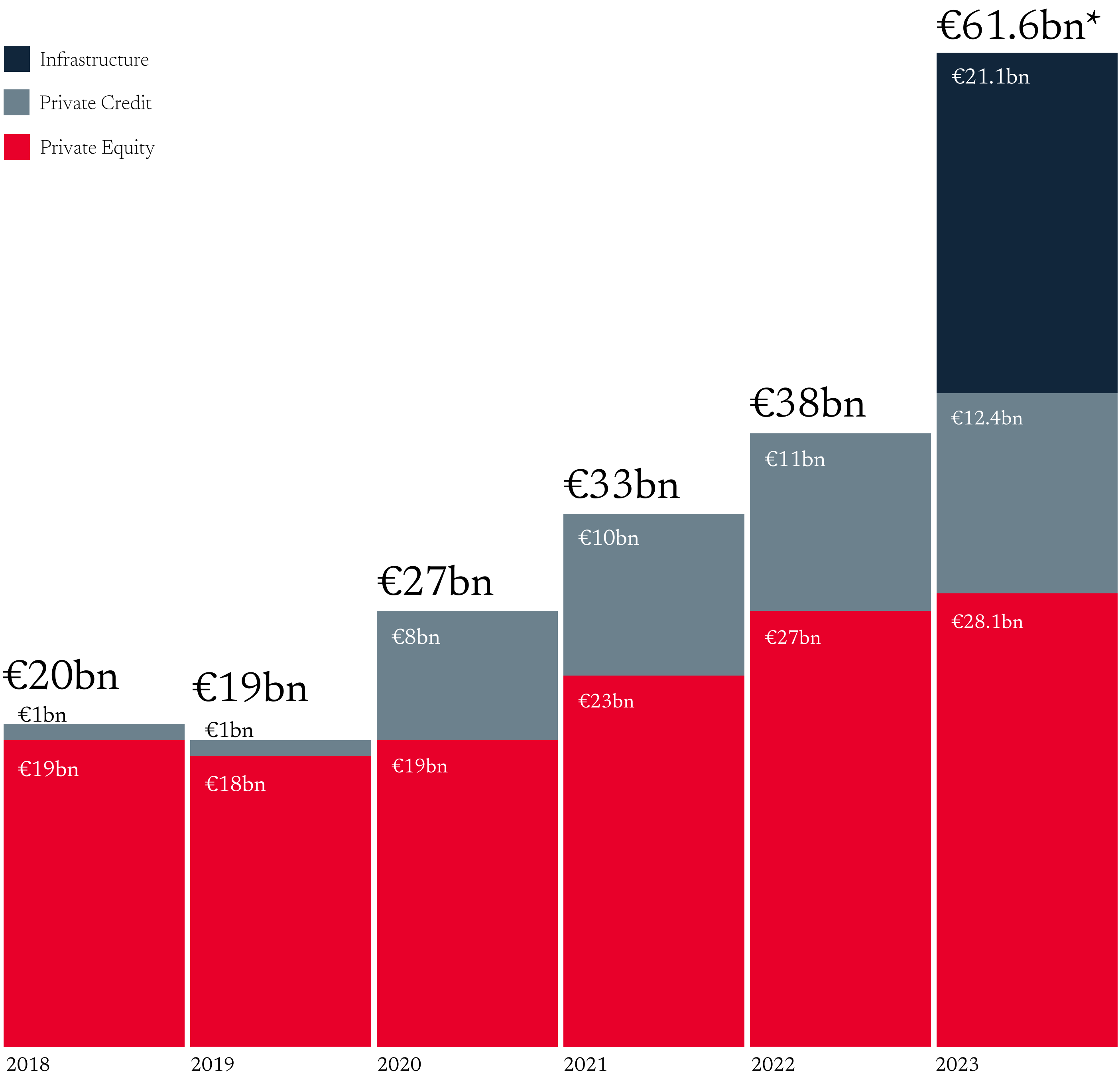
* Bridgepoint only

Track record of our capital under management

Total assets under management

€61.6bn

(2022: €38.0bn)



*2023 AUM is pro forma for the ECP transaction, all other years are unadjusted

Our purpose and values

Purpose

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

Values

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

We do what we say

We do the right thing

We act with intelligence and humility

Chairman's Statement William Jackson

William Jackson is Chairman of Bridgepoint's Board and co-Chair of the Bridgepoint Europe Investment Committee.

Strong performance in 2023 and well placed for continued growth

I am pleased to report that Bridgepoint enjoyed a strong year of performance in 2023, delivering a good set of financial results and making meaningful progress with the company's development strategy with the addition of ECP to the platform.

The Group's AUM now stands at €62 billion following successful fundraisings and taking into account the announcement of the partnership with ECP. Both have enabled Bridgepoint to hit its five-year targeted AUM (set at our 2021 IPO) in under three years, reflecting the long-term growth potential of the business.

In 2023, Bridgepoint recorded underlying profit growth of 12% for the year and all funds remained on target or better in terms of deployment and performance with the most recent fully invested private equity funds, BE VI and BDC III, ranking in the top quartile for their respective vintages and with valuation growth largely driven by strong underlying company trading performance.

Fundraising remains on track, with BE VII expected to close this quarter with some €7 billion of capital commitments. Important new fundraisings for BDC V and BDL IV are now well underway, alongside other funds entering the market in 2024.

Having delivered these results, the Bridgepoint platform ended a productive 2023, and is strategically well-placed and well-resourced in what is a rapidly changing environment in alternative asset management. This positioning has been achieved by continuing to diversify and deepen Bridgepoint's position across its three different middle market verticals of private equity, credit and shortly infrastructure. Each vertical is focused on value-add growth investing.

Deepening our leadership as the platform scales

With Bridgepoint's increased scale in 2023, it was a natural time to separate the roles of Chairman and Chief Executive. This has allowed me to concentrate on my role as Chair of the Group and the private equity business with Raoul Hughes assuming the role of Chief Executive. As a long-standing managing partner, Raoul is extremely well qualified to continue to lead Bridgepoint and maintain the culture and values that have been key to our success.

Since assuming his role, Raoul has introduced a new management structure to oversee the much-enlarged business and strengthened the balance sheet with new long-term financing to enable the company to continue to grow and further diversify.

Our executive strength is supported by the high-calibre Non-Executive Directors on the Board, whose substantial experience and strategic insight has been invaluable to the Group.

Within the next 12 months, the firm expects to appoint at least one additional Non-Executive Director to enhance the Board's expertise and diversity.

ECP significantly enhances the investment platform

The agreement to add ECP to the Bridgepoint platform was a particular highlight of 2023 and at completion will position the Group strongly for the future. It will significantly enhance the reach of the organisation in its marketplace by adding to Bridgepoint's overall capabilities which, frankly, are already not typically seen in middle-market peers.

ECP and its management team will add an important third pillar to the business and significantly accelerate Bridgepoint's stated strategy at the time of the IPO of scaling through product and geographic diversification. Fundraising for ECP's flagship fund, ECP V, which has a fund target of $4 billion, is set to close in April.

→
William Jackson
Chairman

"Bridgepoint stands stronger than ever, with a platform that is both well diversified and capitalised, and further enhanced by the strategic addition of ECP."

Continued work on ESG and corporate responsibility

Bridgepoint rigorously integrates environmental, social, and governance ("ESG") principles into its investment processes and approach to portfolio management. Carolyn McCall's leadership of the Board's new ESG Committee is instrumental in overseeing our ESG commitments. In its first year, the committee has focused on developing an understanding of Bridgepoint's ESG and DEIB activities and initiating a review of Bridgepoint's sustainability strategy.

Supporting this strategy, I am pleased to report that in 2023, The Bridgepoint Charitable Trust continued its philanthropic efforts, supporting a range of charitable projects that underscore our commitment to positively impacting the communities in which we operate. This included the Alpine Challenge, where 100 colleagues undertook a trek for two days, covering over 2,500m of total ascent and raising funds for seven charities. The Bridgepoint Charitable trust matched the total amount raised.

Dividend

Bridgepoint aims to grow its dividend progressively over time as it scales through organic growth in existing businesses and by adding complementary or adjacent strategies.

Bridgepoint is a cash-generative business in a strong financial position. A final dividend of 4.4 pence per share is being proposed, consistent with the interim dividend. Combined with a capital return of 7.6 pence per share through the share buyback programme and the interim dividend of 4.4 pence per share, the total capital return to shareholders in 2023 (16.4 pence) is more than double that in 2022 (8.0 pence).

Exciting prospects ahead

Over the three years since our IPO, Bridgepoint has made good progress in delivering against the objectives set at the time of our listing. Fund performance continues to be strong, AUM has grown ahead of expectations, the management team has been further strengthened, and we have delivered on the first stage of our diversification strategy to significantly enhance our investment platform.

With a strengthened balance sheet following our recent refinancing and as the completion of fundraising for Bridgepoint and ECP's two largest funds nears, the Group also has strong medium-term visibility in its financial outlook. This places Bridgepoint in an excellent position to exploit opportunities in a rapidly changing marketplace.

With its diversified investment strategies, differentiated origination capabilities, and a healthy exit pipeline, I'm confident that Bridgepoint is well placed to perform in the year ahead and beyond.

William Jackson
Chairman

Chief Executive's statement Raoul Hughes

Raoul is the Chief Executive of Bridgepoint Group plc and Chair of Bridgepoint's Group Management and Operating Committees. He joined the firm in 1988.

Bridgepoint is a global leader in value-add growth investing with €62 billion of AUM across private equity, credit, and following the ECP transaction, infrastructure. The Group's strong local presence in Europe, North America and Asia, combines global reach with local insight, and sector expertise, enabling strong returns to be delivered consistently through cycles.

2023 was no exception, with the Group's strong set of financial results exceeding expectations, driven by solid fund performance across strategies and further progress on fundraising.

Financial performance ahead of expectations

In 2023, Bridgepoint grew AUM organically by 7% to €41 billion, contributing to a 10% increase in management fees year-on-year to £265 million, and a 28% increase in underlying FRE to £95 million. As guided in our interim results exits, particularly within the firm's SMID Cap strategy, were concentrated towards the second half of the year. This, along with the growth of Bridgepoint's portfolios overall, delivered PRE of £55 million. Consequently, underlying EBITDA and underlying profit before tax increased by 7% and 12% respectively to £149 million and £134 million and underlying earnings per share grew to 14.9 pence per share.

Fundraising approaching completion for flagship fund

The strong story continued on fundraising, with BE VII expected to close this quarter with €7 billion of capital commitments. In relation to ECP, ECP V, which has a fund target of $4 billion, is set to close at the end of April. Appetite for Bridgepoint's private credit funds remains robust, supported by a strong performance in 2023, with a total of €0.7 billion raised for the Bridgepoint Direct Lending and Credit Opportunities strategies, alongside the pricing of two CLOs. Fundraising for BDC V is underway, with an expected transition from BDC IV to BDC V by Q1 2025.

To support future growth further investment in Bridgepoint's global coverage team has been made, with important senior coverage hires in North America, Asia and the DACH region in Europe. This enables the firm to continue to raise increasing amounts of capital from a broadening range of investors and to expand the Group's product offering.

Delivering high-quality returns through disciplined investment

Bridgepoint's investment strategies aim to deliver absolute returns for fund investors through a disciplined approach, characterised by measured diversification across sectors, geographies and deployment timelines. This approach proved instrumental in driving performance in 2023, with all funds remaining on or ahead of plan.

Private equity

In 2023, 13 platform investments were made through Bridgepoint's private equity strategies, deploying €2.7 billion. BE VII committed €1.7 billion in capital to 5 acquisitions, and has now committed 31% of its primary capital. BE VII deployment remains on track, with a four-year investment period expected before transitioning to BE VIII. BDC IV also had a strong year with eight acquisitions, taking total commitments to 79% of primary capital. BDC III made notable progress, with the Multiple on Invested Capital rising from 3.0x at the end of 2022 to 3.8x at the end of 2023. During the year, €1.1 billion was also returned to private equity fund investors.

Infrastructure

The addition of ECP marks a major step forward in Bridgepoint's strategy as set out at IPO, adding an energy transition infrastructure business to the firm's private equity and credit businesses. ECP's leading position in the energy transition market positions the Company well in the global drive for decarbonisation and enhanced energy security, as reflected in its fund performance in 2023. With the transaction on track to complete in the first half of 2024, we look forward to driving growth in the enlarged group.

With Bridgepoint and ECP being people-centred companies, the importance of cultural compatibility cannot be overstated. After a year of extensive collaboration, it's clear that both firms share a common ethos, with a focus on long-term talent retention, team collaboration and prioritising investors. Personally, I'm hugely excited about leading the firm in the next chapter of this combined story.

→
Raoul Hughes
Chief Executive

Private credit

The credit market in 2023 offered favourable conditions, with Bridgepoint Credit funds benefiting from higher interest rates. This, coupled with disciplined credit decision-making, is driving enhanced fund performance. Over the year, Bridgepoint's Direct Lending and Credit Opportunities strategies deployed approximately €1.3 billion of capital, demonstrating a compelling track record of delivering consistently strong risk-adjusted returns. For example, in aggregate as of Q4 2023, the BDL funds delivered impressive gross and net IRRs of 9% and 8% respectively and a gross cash yield of 10%, with no realised losses in their portfolios.

This success is attributed to BDL's rigorous asset selection, targeting businesses in resilient sectors with strong credit fundamentals, and a thorough due diligence approach that leverages the Bridgepoint Group's extensive knowledge and experience. In terms of fundraising, BDL III and BCO IV were successfully closed in 2023, along with two CLOs. Fundraising for BDL IV and BCO V has been launched, while CLO 6 is in its warehousing phase, with pricing anticipated in the summer.

Deepening the platform's leadership as it scales

In line with Bridgepoint's broadened platform, a new management structure has been put in place to support the firm's medium-term priorities and help enable the growth and diversification of the platform. Boards have been established for the firm's private equity and credit businesses, and comparable board will be established for ECP when it joins the Group. Each board is led by a senior team responsible for growing their respective product areas while continuing to focus on their core investment activities.

At the Group level, a Group Management Committee has been established, which is responsible for the delivery of the Group's strategy. It will include members from both Bridgepoint and, following the ECP transaction, the ECP investment businesses. A Group Operating Committee has also been established, responsible for the day-to-day operations of the Group, ensuring that central functions efficiently support each business unit and the Group's expansion.

These committees bring together a dedicated and highly experienced management team to drive growth and enhance shareholder value. I look forward to seeing the results of their combined efforts.

Looking to the future with confidence

Bridgepoint's diversified investment strategies and healthy pipeline of potential investments and exits position the firm well to navigate the year ahead with confidence.

Amid ongoing industry consolidation, opportunities for inorganic growth and expansion into new asset classes are being actively explored, alongside continued scaling of Bridgepoint's current strategies and broadening product offerings.

We are ambitious and confident in the Group's ability to deliver continued growth and value creation.

I'd like to thank all colleagues working at Bridgepoint for their dedication and hard work. It is thanks to them that the business is in such a strong position today.

Raoul Hughes
Chief Executive

Our partnership with ECP

In 2024, we will welcome Energy Capital Partners ("ECP"), a leading North American infrastructure investor, to the Bridgepoint platform.

This partnership represents a significant third pillar for the business, marking a decisive step forward in creating a fully diversified alternative asset manager. It strengthens Bridgepoint's position as one of the world's leading private asset growth investors focused on the middle market.

ECP at a glance

ECP is a market leader in value-add infrastructure specialising in energy transition and sustainability focused investing. In its over two decades of investment, the business has raised nearly $30 billion of capital.

To date, ECP has primarily operated in North America, where the energy transition sub-segment of the infrastructure market stands to be a key contributor to, and beneficiary of, the global decarbonisation effort. Investment in the space is expected to reach $1.9 trillion per annum through to 2050, creating significant investment tailwinds and multiple potential growth avenues.

ECP is led by a team of 15 partners, including founder Doug Kimmelman and managing partners Peter Labbat and Tyler Reeder. The senior partners each have more than 20 years' experience investing in critical electrification and decarbonisation infrastructure, supported by a team of 47 investment professionals.

47
investment FTEs

>25
years of sector investing experience

66
platform companies

ECP targets the most attractive themes within energy transition

With AUM of €21 billion, ECP is a market leader in the following sub-segments:

Renewables & storage	Wind, solar, geothermal, hydro, waste-to-energy, energy/battery storage & solutions
Environmental infrastructure	Circular economy: environmental clean-up, recycling, waste management & beneficial re-use
Sustainability, efficiency & reliability	Energy efficiency, renewable fuels, carbon capture, energy use & supply, digital infrastructure, hydrogen
Power generation	Modern, efficient gas-fired power generation as an energy transition solution

ECP is the largest independent owner of US power generation capacity and a top three independent owner of renewable capacity in North America.

Partnership benefits for Bridgepoint and our shareholders

The combination reinforces the Group's position as a global leader in middle-market private assets investment.

Increases Bridgepoint's scale and accelerates strategic diversification

Like Bridgepoint, ECP is a value-add, hands-on investor. Value-add infrastructure is highly complementary to our established private equity and private credit platforms. This combination not only reinforces our position as a global leader in middle-market private assets investing, but also adds scale and diversification.

ECP's market leadership in a transformative sector

ECP is a market-leading infrastructure investor with a focus on energy transition. It is particularly well-positioned to capitalise on the global shift towards decarbonisation and enhanced energy security.

Highly complementary fit for both partners

On the distribution side, the partnership brings together two mature platforms. ECP has over 200 client relationships of which over 170 are new relationships for Bridgepoint. The people, office and industrial networks of ECP and Bridgepoint strongly complement each other.

Enhances the Group's earning quality and margin profile

Financially, the transaction immediately enhances the Group's quality of earnings. The FRE proportions of EBITDA and margins both see a material step-up.

Attractive spectrum of investment products

The core of ECP's business, representing approximately 80% of AUM, consists of the flagship funds.
Its credit business is a high growth area, following a recent strategic move to double the size of the credit team.

ECP, €21.1bn AUM

Flagship funds	Continuation funds	Private credit solutions	Other vehicles
€16.5bn AUM	€3.8bn AUM	€0.3bn AUM	€0.5bn AUM

ECP in action

CONVERGENT

Announcement date: June 2019
Location: North America
Sector: Energy storage solutions

Convergent is a leading provider of energy storage in North America. Convergent has over a decade of experience financing and managing all aspects of the energy storage development cycle to help customers reduce electricity costs and increase reliability. The company's commercial, industrial and utility-scale assets can yield seven-figure savings while advancing the clean energy transition.

Energy storage – most often lithium-ion-based battery storage – enables businesses, hospitals, schools and other critical infrastructure to avoid peak pricing during severe weather events and utilities to reduce wholesale demand and energy costs while increasing reliability and supporting the clean energy transition. Energy storage and solar-plus-storage ensure power is delivered at the most strategic times.

Convergent has over $1 billion invested in or committed to systems in operation or under development across North America and over 800MW/1GWh of energy storage and solar-plus-storage systems in operation or under development, which is equivalent to the power consumed by approximately 750,000 homes.

The company's proprietary asset management platform, PEAK IQ®, leverages machine learning and deep market knowledge to optimise asset performance and maximise value. Given that batteries store power and do not generate it, knowing when to charge and discharge a battery storage system is critical. PEAK IQ® helps customers reduce and forecast their energy costs while decreasing their carbon footprints.

800 MW/1 GWh

of energy storage and solar-plus-storage systems operating or under development by Convergent

9,800 + tCO_2e

avoided by Convergent's solar generation and storage portfolio in 2022

RESTAURANT TECHNOLOGIES

Announcement date: April 2022
Location: North America
Sector: Environmental infrastructure

Restaurant Technologies is a leading provider of cooking oil management systems, serving nearly 40,000 restaurant chains, independent restaurants, grocery stores, delis, hotels, casinos, convenience stores, universities and hospitals.

The company offers two critical services to food service venues: fresh oil delivery and used cooking oil ("UCO") collection. Traditionally, these processes are often regarded as 'pain points' in commercial kitchens, resulting in labour inefficiencies and safety hazards. Restaurant Technologies' closed-loop system automates these pain points, eliminates undesirable and dangerous manual labour, reduces plastic waste associated with traditional fresh oil delivery and ultimately offers savings to the customer relative to the manual alternative. UCO is then aggregated across the company's nationwide depot network and sold into the biofuel market as recycled feedstock for low carbon transportation fuels.

US renewable diesel capacity is expected to grow rapidly, creating unprecedented feedstock shortages in the renewable fuels industry. UCO, as the lowest carbon-intensity feedstock available, represents the most valuable input for renewable diesel producers.

As global efforts to curb carbon emissions intensify, ECP believes that Restaurant Technologies is well-positioned as the largest independent source of UCO in North America.

Since 2009, Restaurant Technologies has partnered with Burger King to manage waste oil from more than 1,200 restaurants across the US. Burger King uses Restaurant Technologies' Total Oil Management system, which automates the entire cooking oil process while increasing efficiency and improving safety in restaurant kitchens. Restaurant Technologies estimates that this programme helped Burger King recycle 13.2 million pounds of waste oil in 2022.

289.4 million lbs

of waste oil recycled by Restaurant Technologies

28,000 tCO_2e

avoided by Restaurant Technologies solutions

Doug Kimmelman Q&A

Doug founded ECP in April 2005 and serves as its Senior Partner. He will become a member of Bridgepoint's Group Management Committee and is a member of ECP's Management and Investment Committees.

What excites you most about joining forces with Bridgepoint?

I'm very excited about the opportunity to accelerate the growth of both our firms. This partnership is the culmination of a really long dialogue; William and I have known each other for many years and we've spent over a year talking to the team at Bridgepoint. So, we know each other really well, which strengthens the foundation of our collaboration.

Our firms not only share a culture of collaboration, ethical integrity and investment excellence, but like ECP today, Bridgepoint also has an impressive performance-driven and value-based culture. This alignment at a people level makes ECP and Bridgepoint a really great fit.

The motivation to combine forces with Bridgepoint is high. Our complementary and non-overlapping platforms offer new avenues for growth, especially given our strong presence in North America and Bridgepoint's strong presence in Europe. This strategic alignment enables us to leverage our outstanding global investor lists, which have limited overlap, presenting significant optimisation opportunities. We are particularly proud of our team's deep and long-standing track record in the energy transition sector and this partnership presents an exciting opportunity to expand our investing expertise on a global scale.

"I'm very excited about the opportunity to accelerate the growth of both our firms."

Can you describe ECP's focus within the energy sector and its importance in the current market?

ECP specialises in infrastructure investments, with a strong emphasis on the fast-growing energy transition and environmental sectors. This includes our traditional focus areas of power generation, renewables and storage, as well as newly actionable opportunities in renewable fuels and carbon capture. These sectors are critical in the global decarbonisation effort, representing significant investment opportunities as societal demand for clean energy continues to increase.

ECP stands as a pioneer in the space, with our team having invested in the sector since the 1990s. My journey began as a partner at Goldman Sachs, where I spent 22 years helping to build the firm's risk management and investing business in electricity before founding ECP. I bring 40 years of experience in the electricity and environmental sectors.

Our domain network, deal-sourcing capability and investing expertise are deep, having been built over several decades. The heightened societal demand globally for clean energy and energy transition solutions, along with federal, state and corporate initiatives in the US, is driving many of these investment opportunities. In addition, we believe we are at the early stages of a paradigm shift in the electricity markets, with power demand expected to dramatically increase driven by artificial intelligence and demand centre growth.

→
Doug Kimmelman
Senior Partner,
Founder of ECP

$4.0 billion

target for ECP V fundraise set to close in April

How does ECP's invesment approach align with Bridgepoint's?

ECP, like Bridgepoint, is a value-add, hands-on investor. Our investment parameters are focused on achieving mid-to-high teens returns for our investors, which may be slightly lower than traditional private equity, but still offer highly attractive returns on a risk-adjusted basis. We invest in hard and real assets that are not only critical to society but also provide an inflation and downside protection that many investors seek in the current macroeconomic environment.

Can you share some highlights of ECP's performance and its fundraising efforts?

The core of ECP's business is our flagship funds, which represent approximately 80% of our AUM. We have achieved a consistent track record, delivering a gross multiple of invested capital of approximately 2x since 2010. This success has been supported by our current sector focus, which benefits from a high cash yield to our investors, averaging about 10% annually. Our Fund ECP IV has been ranked as a first quartile performer on a net IRR basis and is recognised by Preqin as one of the top-performing infrastructure funds.

Our fundraising efforts for the next flagship fund, ECP V, are nearly concluded and the fund is expected to close in April, which has a target of $4.0 billion. Despite the challenging fundraising environment, the energy transition area remains a high priority for investors.

Looking ahead, what are ECP's goals and aspirations, including within the energy transition space?

We are, of course, approaching closing of our flagship fund ECP V. Private credit has also emerged as one of the attractive growth areas in the alternative space recently and we are confident in our ability to expand ECP's credit team alongside the existing Bridgepoint Credit team.

We may explore new investment opportunities in Continental Europe, leveraging Bridgepoint's deep networks and expertise in the region. Our aim is to continue pioneering in the energy transition space, leveraging our extensive investment track record to explore nuanced opportunities across renewables, environmental infrastructure and sustainability sectors. Our goal is to drive significant growth, not only for our firm but also in making a positive contribution to the global energy landscape.

Doug Kimmelman
Senior Partner, Founder of ECP

Market overview

Bridgepoint is well positioned for uncertain times.

2023 unfolded against a challenging macroeconomic backdrop. The global economy experienced the complexities of a combination of inflationary pressures, geopolitical tensions and monetary policy adjustments. Despite this uncertainty, Bridgepoint's disciplined investment approach, experienced team, broad sector diversity and geographic presence, coupled with a middle market focus, leave the Group well positioned.

Factor

Macroeconomic conditions

Throughout 2023, the global economy continued to navigate a complex macroeconomic landscape, impacted by interest rate policy adjustments initiated to curb inflation. These monetary measures have set a new tone both in Europe and the US. Geopolitical factors further affected the economic narrative, leading to a cautious outlook among investors. This macroeconomic picture was increasingly reflected in valuations across financial markets, resulting in a nuanced picture for private market activities. At the time of writing, as we look ahead to the rest of 2024, there are some reasons for optimism: inflation is tapering across most major markets, it appears the US economy may achieve the much discussed 'soft landing' and there is an expectation of a modest uptick in EU market growth, all positive indicators for private markets globally.

Private market activity

Through 2023 the alternative asset middle market continued to exhibit resilience, with a reasonable level of deal activity, albeit reduced relative to the record levels seen during 2021 and the first half of 2022. There are now signs of improving momentum in the market and a strengthening exit environment.

In the medium-term, the private asset management market continues to benefit from sector tailwinds. Private market investments are an increasingly important asset class both for investors seeking returns and for asset management firms, resulting in increasing allocations to private assets. In comparison to public markets, the nature of private markets investing is typically longer term, with capital locked into funds for periods commonly ranging from seven to 10 years, which provides some stability during periods of uncertainty.

Impact on Bridgepoint

Bridgepoint's alternative investment strategies are well positioned for the current environment, with middle market assets typically both higher growth and less dependent on macroeconomic growth than larger businesses, with higher interest rates boosting returns in private credit and with energy transition infrastructure benefiting from strong sector tailwinds as well as the resilience associated with the asset class. These factors, coupled with Bridgepoint's continued discipline in investment approach and portfolio construction, provide a level of stability for Bridgepoint amidst broader market volatility.

Whilst not immune to trends in the level of market activity, Bridgepoint continued to deploy and return capital, completing 13 private equity acquisitions and 6 exits. In total Bridgepoint deployed €3.3 billion during 2023 with all funds remaining on track to hit their deployment targets.

It is worth noting that within Bridgepoint's private equity business the sector-led investment approach results in an average tracking period of three years prior to investment and 88% of acquisitions resulting from either proprietary sourcing or from limited auctions. Both of these contribute to Bridgepoint's ability to deploy capital despite wider market conditions. In relation to ECP, its deep sector knowledge similarly gives it significant off-market origination capability.

Please see overleaf for more information on the energy transition market and the opportunities it creates for ECP

Factor

Interest rates

The Federal Reserve stated towards the end of 2022 that it would "stay the course" with rate hikes "until the job was done". This was borne out, not just in the US but more generally, as rates continued to rise through the first half of 2023, followed by a more consistent second half of the year as inflation began to taper across most of our markets.

A higher interest rate environment had a detrimental effect on alternative asset activity through 2023 as investors continued to adjust to the new environment. However, this is less impactful for Bridgepoint's private equity strategy, which is not dependent on leverage for the creation of investment returns, and higher rates improve investor returns for Bridgepoint's private credit strategy.

Fundraising

The majority of 2023 saw a continuation of the well-documented slowdown in alternatives fundraising, with macro volatility leading to investor caution and many mature investors facing allocation issues in part because of a denominator effect exacerbated by the relative outperformance of alternative assets and in part a lack of liquidity caused by lower returns of capital from exits. The impact was most significant in mature markets where investors are at or near their target allocations to alternative asset classes. This more conservative investor outlook resulted in greater focus by investors on reinvesting with their existing managers rather than committing to new managers. The overall effect was offset in part by significant new capital continuing to flow to the alternatives asset class and more generally towards the end of 2023 and into the start of 2024, the outlook for fundraising has improved.

Impact on Bridgepoint

The majority of Bridgepoint equity portfolio companies enjoy high margins with strong cash generation, creating returns through focused domestic and international value creation strategies rather than leverage, which is typically modest compared to peers.

The vast majority of Bridgepoint Credit's portfolios feature floating rate instruments (i.e. Euribor+), with Euribor having increased from negative at the start of 2022 to nearly 4% by December 2023. As a result, credit returns typically benefit from the higher rate environment. In addition to this, the recent market uncertainty has created a number of opportunities for private credit to increase market share. The decline in activity from traditional lenders has resulted in increased opportunities for Bridgepoint's Direct Lending strategy, while Bridgepoint's Credit Opportunities strategy has benefited from volatility in the secondary market, providing opportunities for investment at attractive prices.

In 2023, material capital was raised for BE VII and ECP V, both of which will close shortly, and the Group successfully closed BDL III and BCO IV. €2.7 billion was raised in 2023 across Bridgepoint (excluding ECP), a significant achievement, especially given the lower level of fundraising in the year across the market more generally.

In a more cautious investor environment, Bridgepoint's deep and well-resourced investment platform, disciplined investment strategy, consistent deployment pace and highly experienced team have all proved valuable. Bridgepoint is well placed for BDC V, BDL IV, BCO V and BG II, which are now fundraising.

The market for ECP

The energy transition opportunity is significant…

Energy transition is a rapidly growing segment of infrastructure.

Infrastructure is the fastest-growing asset class within private markets, with approximately $1.3 trillion of AUM, and it has grown at a rate of over 15% per year since 2010. The energy transition segment has been a significant driver of wider growth. The expansion has been driven by increasing concerns about energy security and reliability, and the ongoing global transition to a net-zero carbon economy.

Energy transition stands to be a key contributor to and beneficiary of the global decarbonisation effort, particularly in North America, where ECP primarily operates. Heightened global societal demand for clean energy and an energy transition, coupled with public support – exemplified by policies such as the $400 billion Inflation Reduction Act in the US – are driving numerous investment opportunities. To decarbonise the energy sector, a forecasted investment of $1.9 trillion annually is needed through to 2050. However, to limit global warming to 1.5°C, this investment must increase by 150%, amounting to around $2.7 trillion per year. Investment at this scale will create significant tailwinds for the sector and open up numerous avenues for growth.

In addition, a paradigm shift is underway in North America as it relates to electricity markets. The key markets on which ECP focuses are experiencing record electricity demand, a trend which is expected to accelerate even further, driven by the adoption of electric vehicles, the AI boom and the onshoring of manufacturing.

In order to achieve federal zero emissions targets by 2030, EV sales must increase 17-fold. Since the US Inflation Reduction Act was enacted, $110 billion has been invested in domestic clean manufacturing, including $70 billion in the EV supply chain and $10 billion in solar manufacturing. Finally, data centres continue to expand across the US, with AI data centres requiring seven times more power than traditional data centre racks. As a result, data centre electricity consumption is expected to represent 7% of US electricity demand by 2030 (up from 2% in 2020). As electricity demand increases, power and renewable generation will be critical to ensuring the reliability and resiliency of the grid.

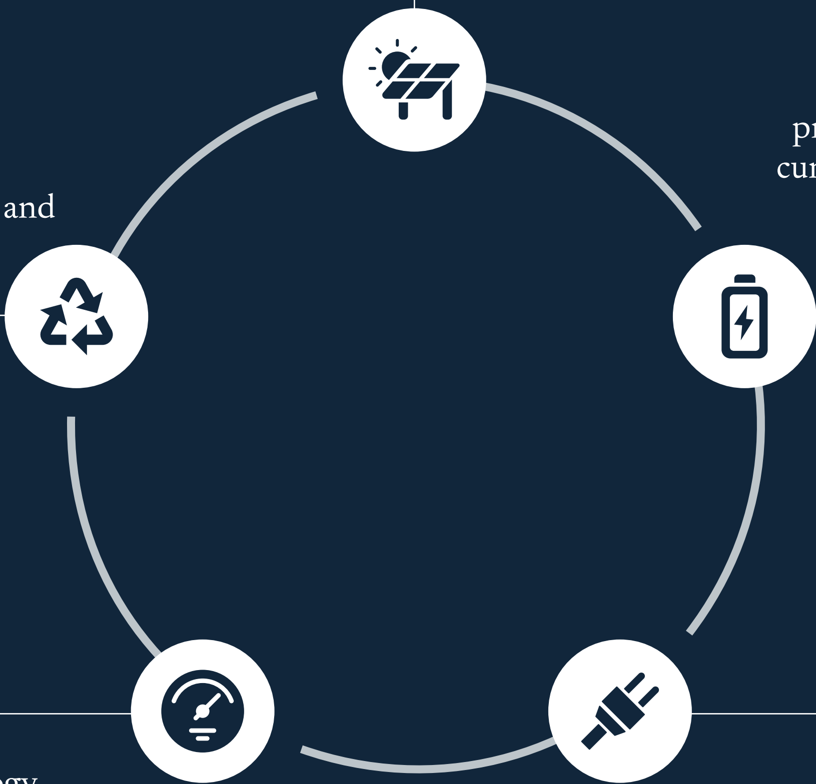
1. Goldman Sachs, "Carbonomics", 23 June 2021

…with multiple tailwinds expected to drive continued growth

Societal demand for energy security, clean energy and sustainability solutions; supported by the US Inflation Reduction Act of 2022

Need for battery recycling, environmental remediation, water and waste management

Battery storage projected to grow to a cumulative 5,827GWh by 2050 from 22GWh in 2019[2]



As storage technology develops, natural gas is expected to ensure grid reliability at a low cost

‘Electrification’ of everything combined with increased demand from EVs, big data, AI and onshoring manufacturing is expected to drive electricity demand growth

2. BNEF Energy Storage Outlook, December 2020

Strategy

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

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

Scale existing strategies

Continue the track record of strong AUM growth established over the past two decades through scaling existing strategies.

Capitalise on Bridgepoint's strong position by continuing to scaling existing strategies, through further enhancing each strategy's investment platform and exploiting the opportunity of an evolving alternative asset management market.

Continual investment in our platform enables the consistent scaling of existing strategies within their respective markets. This includes through deepening the presence in existing geographies which increases the opportunities to deploy capital. In combination with long-term growth in the middle market this enables growth in core successor funds. Sequential fund growth is complemented by growth in separately managed accounts (particularly in Bridgepoint Credit) and the growth in continuation funds.

Product strategy extension

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

Utilise the strength of our existing platform, origination capability, domain and sector knowledge and strong central functions to launch funds that complement our core strategies.

Bridgepoint has a strong track record of developing new products within existing investment strategies. Both the private equity and credit businesses began as single investment strategies before growing both organically and inorganically, so that each currently has three distinct investment products. The combination with ECP will increase these opportunities, for example there is an opportunity to accelerate ECP's nascent infrastructure debt strategy.

Expand into new alternative asset classes

Continue to successfully develop new businesses in adjacent private market asset classes, either through acquisition or incubation.

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

The forthcoming combination with ECP is the latest example of the Group's strong track record of successfully acquiring and integrating new businesses. In the medium-term, Bridgepoint sees scope for similar acquisitions within other private markets asset classes, such as real estate and secondaries, as well as other segments of existing asset classes where the Group's well-invested operating platform, capital-raising capabilities and reputation would enable acquired businesses to more successfully scale their operations.

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

Strategy in action

A track record of expansion

Bridgepoint has grown from a middle market private equity business primarily focused on the UK to a diversified alternative asset manager with a global presence.

Year	AUM
2023	€62bn[1]
2021	€33bn
2020	
2018	€20bn
2016	
2009-10	€9bn
2000	€3bn

Partnership with ECP

The combination with ECP will bring material benefits to the enlarged Bridgepoint Group and delivers on the strategy communicated at IPO:

- Combination will accelerate Bridgepoint's strategic diversification by adding value-add infrastructure as a meaningful third growth pillar
- Provides ECP with mature European investment platform and complementary credit offering
- Highly complementary fit from a cultural, client relationships and geographic focus perspective

IPO

Provides capital for accelerated growth and listed share currency for potential acquisitions

Bridgepoint Credit (EQT Credit acquisition)

Creates material presence in the second largest alternative asset class, providing scale and further growth potential

Dyal (now named Blue Owl) minority transaction

Provides capital to the Group for accelerated growth

Bridgepoint Credit (organic expansion)

Establishes Bridgepoint in the second largest alternative asset class, providing diversity and growth potential

US presence established

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

Bridgepoint Growth

Third pillar of Bridgepoint PE

Acquisitions of Hermes' direct investment platform & funds

(Previously managed by Edmund de Rothschild) Takes Bridgepoint's institutionalised approach and platform to the SMID cap market

Independence from NatWest

Bridgepoint established as an independent business following a management buyout

1. Pro forma for ECP as at 31 December 2023

Our business model

Bridgepoint is a global leader in middle market private asset investing. The Group has a 30-year track record of delivering compelling returns with an attractive risk profile.

We provide the capital and expertise to facilitate growth

We raise capital from, and invest on behalf of, a globally diverse, long-standing and growing blue-chip client base, which includes many of the world's leading investors. Indeed, the Group has base of more than 280 institutional investors with longstanding relationships with Bridgepoint. We use our expertise and leading investment platform to generate strong returns for these investors and receive fees for managing their capital.

A combination of:

First-class investor services

Leading investment platform

Hands-on value creation

Enables us to:

Raise fund capital

Invest in middle market assets

Create strong consistent investment performance

We take a responsible approach to investment and value creation

→ Read more on pages 42 to 47

Delivering:

Strong returns for fund investors

Fees for managing clients' capital

Our investment strategies

A global leader in middle market private assets investing

€61.6bn

Assets under management

(pro forma for the ECP transaction)

Private Equity

€28.1bn AUM

Bridgepoint Europe
Bridgepoint Development Capital
Bridgepoint Growth

Private Credit

€12.4bn AUM

Bridgepoint Direct Lending
Bridgepoint Credit Opportunities
Bridgepoint Syndicated Debt

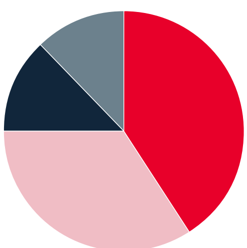
Infrastructure

€21.1bn AUM

ECP Value-add Infrastructure
ECP Forestar Infrastructure Debt

Our client base

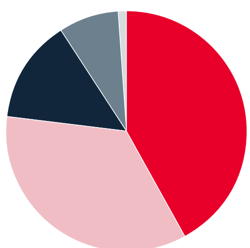
Clients by geography



Americas	41%
Europe	34%
APAC	13%
MENA*	12%

* MENA includes Israel

Clients by type



Pension Funds	42%
Asset Managers & Insurance	35%
SWFs	14%
Endowments, Foundations & Family offices	8%
Other	1%

Information shown on this page is pro forma for the ECP transaction

Our business model *continued*

How we create value in private equity

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

Pre-eminent dedicated middle market investor with global presence

We create value through:

Our people	Our market presence	Our approach
Entrepreneurial culture	Outstanding market position and reputation	Sector-driven investment strategies directed towards niches with structured growth and designed to exploit local insight
30+ years of institutional heritage	Total middle market immersion	Value-creating operating skills – deepened during GFC
	Broad, well-established networks on the ground providing high-quality origination	

Differentiated and sustainable approach delivering high-quality returns

Bridgepoint's private equity investment approach has delivered strong and consistent returns. Based on latest benchmarking (Q3 2023), all Bridgepoint Europe and Bridgepoint Development Capital funds raised after the global financial crisis of 2008 to 2009 are first or upper second quartile performers.

Bridgepoint has delivered these high-quality returns through careful portfolio construction, sensible use of leverage and disciplined asset selection focused on high margin, cash generative businesses in combination with a hands-on value-creation philosophy.

How we create value in private credit

Bridgepoint Credit uses its deep market presence and insight-driven approach to create investment opportunities from across the whole Bridgepoint network in defensive sectors with strong downside protection.

Deep experience with a broad and differentiated origination capability

We create value through:

Our people	Our market presence	Our approach
Highly experienced and cycle-tested team	Broad platform with presence in eight Bridgepoint offices	Stringent asset selection to hit target performance with the least possible risk
Culture of shared knowledge	330+ industrial advisers	Invest in resilient business models in defensive industries
	Leverage the whole Bridgepoint network and deep sector expertise	

Leveraging experience, insight and the Bridgepoint network to deliver compelling risk-adjusted returns

The highly experienced Bridgepoint Credit team has invested approximately €18 billion in more than 350 companies since inception with a demonstrable track record of delivering consistently strong risk-adjusted returns. For example, in aggregate as of Q4 2023 the BDL II fund has delivered gross and net IRRs of 9% and 8% respectively from the unlevered sleeve and a gross cash yield of 10%. Additionally across BDL funds their have been no realised losses in their portfolios, demonstrating the success of BDL's rigorous asset selection process, which focuses on businesses operating in defensive sectors with strong credit fundamentals, and involves the team's thorough due diligence approach that utilises the full breadth of Bridgepoint's knowledge and experience.

How ECP creates value in Infrastructure

ECP is a market leader in critical infrastructure focused on energy transition, electrification decarbonisation-focused infrastructure assets, with deep sector experience and a decades-long track record.

A leading Infrastructure investor focusing on energy transition

We create value through:

Our people	Our market presence	Our approach
25+ years of successfully investing in energy transition	Early mover advantage in the sector	Value-add, hands-on partner
Deep domain expertise and networks	The largest independent owner of US power generation capacity	Invest in real assets, critical to society and with inflation and downside protection
Local market insight and sector expertise	Reputable and reliable capital across the energy transition spectrum	Focus on risk management and minimising commodity price risk

Deep sector knowledge and market leadership drives consistent, strong risk-adjusted returns

ECP, which has raised nearly $30 billion of capital since inception in 2005, has a leading position in the highly sought after energy transition and sustainability-focused investing ecosystem in North America. Energy transition investing stands to be the key driver and beneficiary of the global decarbonisation effort, with forecast investment in the space expected to be €1.9 trillion per annum until 2050, creating significant tailwinds and multiple potential growth avenues.

ECP delivers value through real specialisation built up through navigating multiple energy, regulatory and environmental transitions over three decades. This has resulted in a consistently strong investment performance track record delivering a gross MOIC of ~2.0x since 2010.

The combination with ECP will bring together two highly complementary businesses

Strong cultural fit

Shared ECP and Bridgepoint values:
- Fund investors come first
- Collegial approach
- Longevity of talent

Highly complementary geographic focus

Combined platform will have > 460 FTEs across 14 offices in Europe, US and Asia

Deep bench of senior talent

- More than 75 partners across the combined platform
- 15 year average tenure of partners in both businesses

Highly complementary client relationships

Client base significantly enhanced
>170 new client relationships to Bridgepoint
<25% overlap in investor bases by commitment

Our business model in action

Sector: Food and environmental science services
Location: UK
Date acquired: 2023
Transaction size: £80 million
Fund: BDC IV

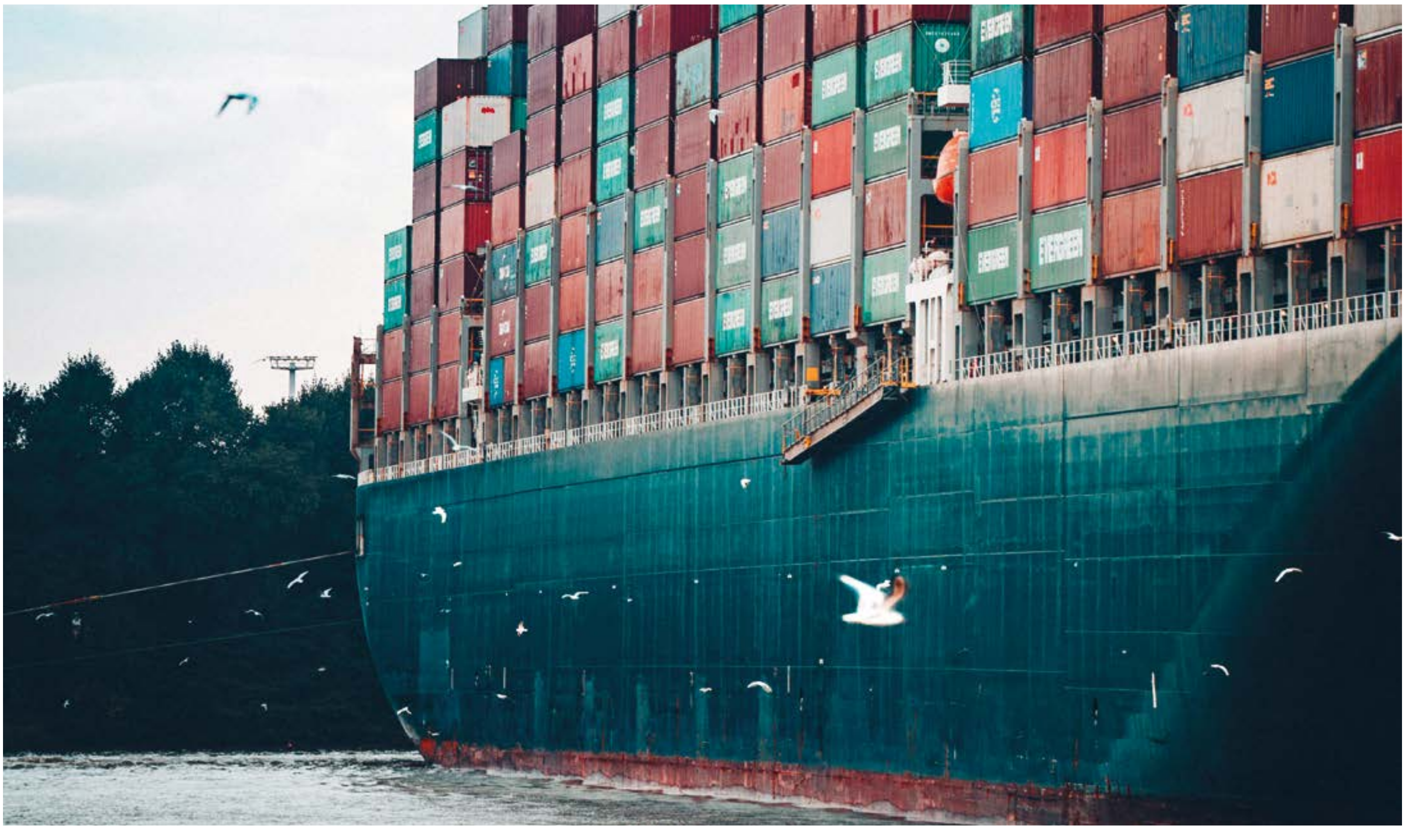
Fera Science is a differentiated provider of complex testing, research and development, assurance and data services to the agriculture, food and environmental sectors. The company, which is headquartered in the UK, operates in a £600 million market which is benefiting from strong tailwinds including ongoing population growth and the resulting increase in food production, regulatory requirements and testing intensity, as well as a growing focus on supply chain transparency and sustainability.

The partnership builds on Bridgepoint's track record and expertise in the testing, inspection and certification ("TIC") and agriTech markets with previous investments made including LGC, the international life sciences measurement and testing company; Element, the global leader in materials and product qualification testing in the aerospace, energy, fire and transportation markets; Achilles, the technology enabled provider of sustainable supply chain solutions; Rovensa, a provider of specialty crop nutrition, biocontrol and protection products; and Sun World, a leading fruit genetics, R&D and licensing business.

Our investment in Fera will focus on accelerating its organic revenue growth in both the public and private sectors, supported by investment in business development functions and resources. Fera operates in a fragmented market, which offers the potential for further upside to the investment case through smaller tuck-in acquisitions or more sizable M&A.

6-9%

expected growth rate of Fera's addressable TIC market in the medium-term, underpinned by secular tailwinds



Sector: Technology
Location: US
Investment date: 2021
Instrument: Convertible preferred equity
Fund: BCO IV

Blume Global is a leading provider of supply chain execution and visibility software. Launched as an independent business in 2018, the company provides a cloud-first, intelligent operating platform that orchestrates global supply chain processes for shippers (buyers and suppliers), logistics service providers and carriers. There are more than 10,000 companies on Blume Global's platform, including some of the largest shippers, ocean carriers, railroads and global freight forwarders. Blume's mission is to reduce inefficiencies and waste across global supply chains through digitisation.

Bridgepoint Credit's partnership with Blume benefited from a long-standing relationship with Blume's CEO, Pervinder Johar, who has been part of Bridgepoint's industrial advisor network for a number of years.

Our investment in Blume was made in the form of a bespoke structured convertible preferred equity instrument to meet the needs of the situation. The capital was used to support organic growth as well as to make a complementary acquisition to expand Blume's European presence.

Blume's highly strategic product offering and capabilities were recognised throughout the industry, and in 2023, we exited our investment when Blume was sold to WiseTech Global, a listed competitor, realising attractive risk-adjusted returns for the Credit Opportunities platform.

Blume Global's mission is to reduce

$1 trillion

of waste from global supply chains

Our people

Our people are our greatest asset. Our ability to deliver for our investors, portfolio and shareholders relies on our ability to attract and retain the best talent.

We aim to recruit the very best talent, incentivise them to work hard and drive returns for our investors. We also strive to create a work environment where every voice is heard, and every individual's wellbeing is valued. Because doing so makes Bridgepoint a better place to work. And becoming more diverse, equitable and inclusive broadens the team's perspective, which helps us achieve our investment and strategic goals.

Our people strategy centres around four key pillars

Attract

We aim to recruit the very best talent, building diverse teams of professionals who exhibit passion for performance and drive.

Develop

We operate an 'apprenticeship model' offering hands-on learning, supplemented with extensive training and development.

Retain

Our rewards are weighted towards performance and long-term alignment with fund investors.

Care

Our values define how we do business and how we treat people. We foster a creative, connected community.

391
employees

55%
of investment professionals are multilingual

14
years' average partner tenure

>30
nationalities

14%
low turnover among investment professionals

7.7/10
engagement score in 2023

Our values

Our values guide everything we do, from committing investors' capital, to working with portfolio companies, to supporting our teams. These values are:

We do what we say

We do the right thing

We act with intelligence and humility

These values define us, guide us, shape our culture and help us to uphold the highest standards of corporate governance and professionalism across Bridgepoint.

Our people *continued*

We aim to recruit irrespective of identity or background, provide a framework for all talent to progress and enable the best to advance.

Investing in our people

During 2023, we continued to invest in our people – growing and further embedding our learning culture across the organisation. Based on the investment lifecycle, our approach is to enhance on-the-job learning for investment professionals with skill development in origination, deal execution, portfolio management and exits.

Investment professionals across private equity and private credit follow a skills and attributes framework, which is designed to ensure consistent development and benchmarking of capabilities. We also have a learning platform which provides a wealth of online courses and modules.

To support career progression, Bridgepoint offers a wide variety of talent and leadership development programmes. As part of this, we promote international rotations and secondments, fostering diverse experience across various markets, funds and teams. These programmes are continuously evolving to remain current and relevant to the needs of our colleagues.

Complementing this hands-on approach, we offer comprehensive annual performance appraisals, executive coaching and mentoring initiatives, including the Women's Mutual Mentoring Programme.

Supporting the wellbeing of our people – mental and physical – has always been important to us. We offer a variety of mental health resources including our Employee Assistance Programme, the Thrive app and access to professional psychologists. We also provide a Wellness allowance to eligible employees to support their fitness activities and hobbies.

Employee feedback and engagement

We value regular employee feedback as it helps us guide the direction of new initiatives that positively impact our people's experience. We conduct regular employee engagement surveys which inform decisions at the Board level and guide our efforts to retain and attract top talent. We have also enhanced our internal communications to help employees better understand and deliver our strategic objectives.

We were pleased with the results from our latest employee engagement survey, which had a participation rate of over 80% and an overall engagement score of 7.7 (out of 10). The strongest themes included peer relationships and being able to count on colleagues to help out when needed, clear expectations on goal-setting and delivery, as well as a strong understanding of the strategy and goals of the Company.

DEIB

It's our ambition to better reflect the communities in which we operate by creating an environment where the best have an opportunity to thrive, regardless of background. Our approach to Diversity, Equity, Inclusion & Belonging ("DEIB") is about our diversity of thought and collective intelligence and the impact they can bring on the quality of our decision-making, outcomes and performance. It is not about tokenism or ticking boxes.

We recognise that we still have a way to go but we're proud of what we've achieved so far. We have a balanced team when it comes to gender, with women representing close to half our collective workforce and occupying half of the leadership roles in our specialist teams.

Investment professionals: Learning and development pathway at Bridgepoint

Associate → Partner

International Associate Programme

Two-year programme consisting of:

- Launch event for orientation
- Four training modules on technical and communication skills
- International rotation within the first four years
- Closing celebration event

Conference on Leadership

Annual event which:

- Develops leadership skills
- Features active learning sessions and external speakers
- Includes discussions with Bridgepoint's senior leaders

Leaders' Forum

Annual event which:

- Fosters cross-office networking
- Enhances insights into Bridgepoint's key markets
- Facilitates discussion on Bridgepoint's strategic growth

New Partner Development Programme

One-year programme consisting of:

- Leadership briefing with peers
- Guidance from a senior Bridgepoint mentor
- External executive coaching sessions

On the investment side, we've affected real change with 25% of our investment professionals now being women, a marked development since 2016 when that figure was closer to 5%. More female talent is coming through the senior ranks, with the ultimate aim of ensuring we have female representation in key decision-making forums across the Bridgepoint Group. DEIB, of course, extends beyond gender and there is work going on across our organisation to ensure that we're making progress.

We have implemented a range of programmes that target specific aspects of DEIB:

- The International Associate Programme ("IAP") addresses gender imbalance and helps us make our investment teams more equal. Our goal is to raise the number of female investment professionals to 30% by end of 2025 (and 40% when you exclude the Partner group).
- Our mentoring programmes pair mentors and mentees from across our firms and business units. They highlight and celebrate different backgrounds and experiences and build cohesion and inclusiveness across the Group. Over 100 mentor-mentee pairs have participated in these programmes in the last three years.
- An insights week targets young people from a wide range of socioeconomic backgrounds and introduces them to different professional pathways and entry points into the asset management industry, to help pave the way to greater social diversity within our industry. In 2023, we hosted 40 students aged between 16 and 22 at our London office, from a wide range of backgrounds.
- Our Women's Leadership Forum and dedicated mutual mentoring programme ensure every voice is heard and help to break down barriers to communication and understanding, ensuring a more inclusive environment.

Wherever we've identified the need for action, we've done so decisively and will continue to do so. In addition to creating programmes that seek to benefit our people, we have put in place a company-wide DEIB framework that guides balanced recruitment, fair opportunities for promotion and training, as well as family policies that support our team members throughout all stages in their lives. In 2024, our DEIB strategy will maintain our focus on gender and inclusion, while extending our efforts beyond gender. You can read more in our ESG Committee report on page 99.

We also affect change by partnering with other firms in the industry, for example as members of France Invest, Level 20, Out Investors, 10,000 Black Interns in the UK and Girls Who Invest in the US. You can find out more about some of these on page 46.

By becoming more diverse, equitable and inclusive, Bridgepoint is becoming a better business.

Our people and networks

Our people have been making an impact across the Company. A highlight of 2023 was the Alpine Challenge, where 100 colleagues undertook a trek for two days, covering over 2,500m of total ascent and raising funds for seven charities. The Bridgepoint Charitable Trust matched the total amount raised.

We celebrated International Women's Day with a series of informal events across the office network. Our London office partnered with Smart Works, a charity dedicated to helping unemployed women regain the confidence to succeed at job interviews and return to employment. Our colleagues contributed by donating professional clothing, shoes and accessories for women.

Volunteering initiatives included planting trees with UK charity 'Trees for Cities' and supporting the annual summer party organised by 'Lebenshilfe Frankfurt', a charity promoting disability equality.

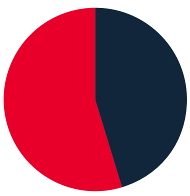
25%
female investment professionals

41%
of promotions in 2023 were female

Gender breakdown

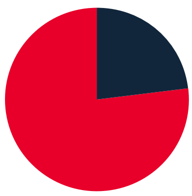
As at 31 December 2023

All Group employees[1] (permanent)



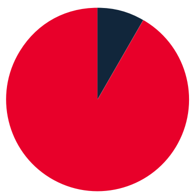
Female	177
Male	212
Total	389

Direct reports to Executive Committee members



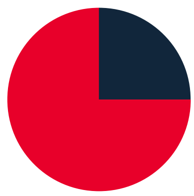
Female	13
Male	43
Total	56

Executive Committee members



Female	1
Male	11
Total	12

Board of Directors



Female	2
Male	6
Total	8

1. Of those that provided data.

Stakeholder engagement and section 172(1) statement

Key stakeholders

The Board has identified its key stakeholders as colleagues, the community, fund investors, portfolio companies, regulators, shareholders and suppliers[1].

- Colleagues
- Community
- Fund investors
- Portfolio companies
- Regulators
- Shareholders
- Suppliers

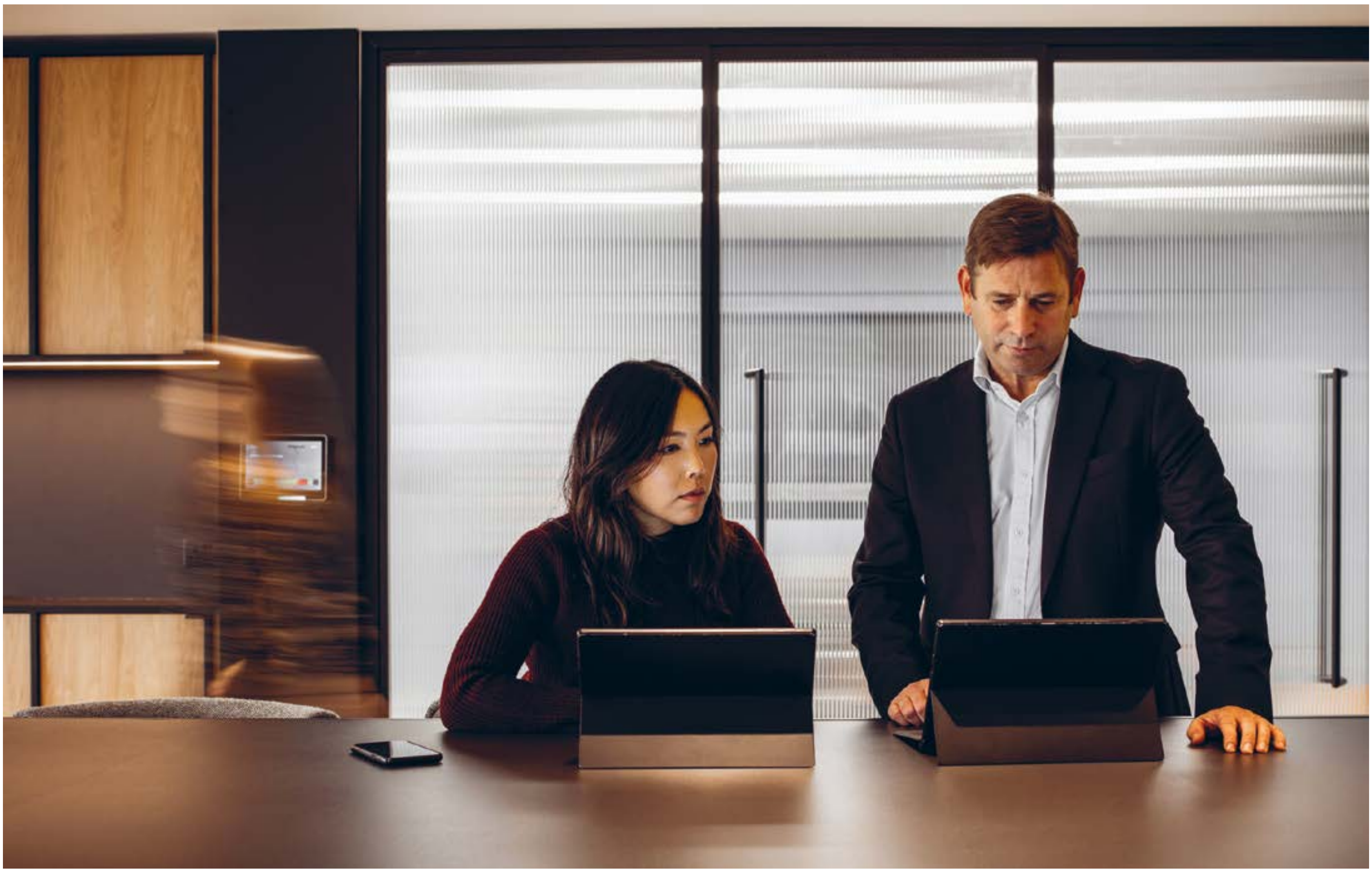
1. Ordered alphabetically

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole.

In doing this, section 172 requires the Directors to have regard, amongst other matters, to:

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

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



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

Colleagues

Key considerations

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

How Bridgepoint engages with colleagues

The Board actively engages with colleagues through a variety of channels, including town hall briefings, videos and team meetings. On an annual basis, the Group conducts an employee engagement survey to obtain feedback from employees, the results of which are fed back to business unit heads, senior management and the Board as appropriate, and a number of actions are taken in response. The year-on-year progress on survey results is monitored carefully as part of this review.

Members of the Board meet with various members of senior management and colleagues from across the business, both through Board and committee meetings and through separate discussions. This enables them to continue to build relationships with the senior management team as well as the broader employee base.

A designated Non-Executive Director (Angeles Garcia-Poveda) is responsible for gathering employee feedback and spent time across Bridgepoint's network during 2023. Angeles was also actively involved in a number of firm-wide initiatives in 2023, including involvement in activities held within Bridgepoint on International Women's Day in March.

The Group continuously invests in its people through internal career development initiatives, such as the International Associate Programme, Conference on Leadership, Leaders' Forum, New Partner Development Programme and mutual mentoring programmes. We also have a learning platform which provides a wealth of online courses, including the Bridgepoint Core Training Programme which provides employees the opportunity to develop their personal and professional skills through internal and external training. In addition to professional development, colleague wellbeing is a core focus, with health resources including our Employee Assistance Programme, the Thrive app, access to professional psychologists, and a wellness allowance for eligible employees to support their fitness activities and hobbies.

Stakeholder engagement *continued*

Fund investors

Key considerations

Fund investors are a central focus of the Group's business. They provide the capital which the Group invests as part of its investment management activities and are who the Group owes regulatory duties to.

How Bridgepoint engages with fund investors

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

Management of relationships with fund investors has continued to be a key priority throughout 2023 as a result of the Group's significant fundraising activities across strategies. High levels of engagement and communication with existing and prospective fund investors continued throughout the year, including during annual investor meetings and investor committee sessions where investors' views were heard on a range of topics. Regular feedback on these meetings and ongoing fundraising activity is provided to the Board and to senior management.

Fund investors typically undertake due diligence on the Group as part of their assessment of an investment into a Bridgepoint managed fund. Undertaking these exercises with both the Group's private equity and private credit investor bases during 2023 helped to provide the Group with an up-to-date view of the primary concerns and considerations of such investors, and these were factored into how the Group approached the establishment, management and operation of the funds in which fund investors invest.

Fund investors also receive regular updates through calls, relationship meetings and various forms of written reports which focus on the provision of high-quality and timely information and data.

Shareholders

Key considerations

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

How Bridgepoint engages with shareholders

Members of the Board (including the Executive Directors and the Senior Independent Director) regularly engage with shareholders of the Company and encourage feedback as part of this engagement process, and in 2023 more time was invested by Directors in speaking to and meeting with existing and potential shareholders. This engagement helped the Board to understand the, at times, conflicting interests of different shareholders, and to make decisions in a way that treats shareholders and other stakeholders fairly.

In connection with the Company's agreement to add ECP to its platform, a webcast was hosted in September and a general meeting was held in October where shareholders were provided an opportunity to engage with the Company and ask questions about the transaction.

Bridgepoint's approach to capital allocation throughout the year took into account the views of shareholders, and reflective of this, the Board believes the two share buyback programmes announced during the year demonstrated a focus on balanced and disciplined capital allocation.

The ongoing participation of employee shareholders as attendees and presenters at meetings of the Board and its committees also provides an opportunity for the Board and its Non-Executive Directors to connect with shareholders.

As in previous years, following the release of both Bridgepoint's preliminary results for 2022 and 2023 interim results, shareholders and analysts were given the opportunity to join a webcast attended by certain Directors to discuss the results and raise questions, and this was complemented by regular engagement throughout the year with equity research analysts.

Portfolio companies

Key considerations

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

How Bridgepoint engages with portfolio companies

Responsible management of portfolio companies and prudent investing centres around sustainable value creation through a constant focus on financial and non-financial improvement. Strong relationships with management teams within portfolio companies and deep sector and industry knowledge provide an opportunity for better strategic decision-making at the investment level. This helps to drive value within portfolio companies, which ultimately benefits the relevant fund investors and the Group's shareholders whilst also benefiting the stakeholders of portfolio companies.

The Group's investment teams provide the principal means of portfolio company engagement, with investments in Bridgepoint's private equity strategy typically involving the appointment of Group investment professionals as directors on portfolio company boards, and investments in Bridgepoint's private credit strategy often involving close relationships with CFOs and management teams through the lender relationship.

Several of the Group's functions engage with portfolio companies at the outset of an investment and also throughout the investment lifecycle in order to identify relevant opportunities for operational improvement. The Group's Sustainability team launched its inaugural portfolio company feedback survey in 2022 in respect of sustainability matters and throughout 2023 the team has worked on addressing several feedback points, including providing portfolio companies with more resources and guidance documents throughout the year, in particular as part of the climate programme. Alongside investment teams, the Sustainability team drives the integration of ESG criteria into the Group's investment approach whilst the Group's IT team makes recommendations following cybersecurity reviews, in each case working with the management teams of portfolio companies to address any identified opportunities following investment. For more information on ESG see pages 42 to 47.

Community

Key considerations

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

How Bridgepoint engages with the community

Bridgepoint is regularly involved in community outreach and has a long history of charitable giving. The Group frequently seeks out partners where donations and support can make a real difference in the communities where the Group's offices and people are based.

In June, 100 colleagues from across the Group took part in the Bridgepoint Alpine Challenge, a multi-day trek which brought colleagues from various offices together whilst fundraising for seven charities nominated by participants. The Bridgepoint Charitable Trust matched all donations made, with a total of £222,000 raised and split equally between the charities. The Bridgepoint Charitable Trust donated over a further £170,000 throughout the year across a number of projects and to a number of community and charitable causes.

As part of the Group's activities in connection with International Women's Day in March, donations of women's professional clothing were made to Smart Works, a London-based charity focused on helping unemployed women return to employment. In March, several colleagues were involved in tree planting in a local community in West London whilst in April, the London office donated an Easter egg for every child at a local primary school. As in previous years, the Frankfurt office offered support to Frankfurter Lebenshilfe's annual summer party in September, and in December a Christmas gift appeal delivered gifts to two local London primary schools with the Bridgepoint Charitable Trust matching donations.

The Board actively encourages, supports and monitors progress on initiatives that it believes will have a positive impact on the environment and communities in which the Group operates.

Stakeholder engagement *continued*

Regulators

Key considerations

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

How Bridgepoint engages with regulators

During 2023, Bridgepoint received regulatory registration in Luxembourg, which involved significant and constructive engagement with the Commission de Surveillance du Secteur Financier. In connection with the Company's transaction to add ECP to the Group, several global regulators were engaged to seek various clearances and approvals, including the UK's Financial Conduct Authority.

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

Suppliers

Key considerations

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

How Bridgepoint engages with suppliers

The Group regularly engages with its key suppliers, many of which are established and reputable professional services firms, to ensure that each party understands the requirements of the other and to ensure transparent and constructive relations.

The Group typically approaches several providers when new or renewed service provision is required, a process which creates an open dialogue where a mutually beneficial relationship can be forged, in the interests of both parties and ultimately the Group's other stakeholders as well.

The Group ensures appropriate due diligence is undertaken in respect of third-party service providers prior to appointment, and appropriate monitoring and oversight of appointed third-party service providers is undertaken on a periodic basis.

The Board's approach during 2023 to the matters set out in section 172 of the Companies Act 2006 is set out below.

Relevant consideration under section 172(1) of the Companies Act 2006	The Board's approach in 2023
(a) Long-term consequences of decisions	The Board maintains oversight of the Group's performance, and reserves to itself specific matters for approval, including overall commercial strategy and the business plan of the Group. This allows the Board to ensure that longer-term considerations are taken into account. Details of the Group's strategy are set out on pages 22 to 23 of this Annual Report. During the year, the Board spent significant time discussing potential strategic opportunities, including the ECP transaction, and considered the longer-term growth of the business (including how excess funds held by the business are appropriately invested). Further details of other matters considered by the Board during the year are set out on page 89.
(b) Interests of employees	The Board has designated Angeles Garcia-Poveda as the Non-Executive Director responsible for gathering workforce feedback. More generally, the Board recognises the importance of employee engagement and Diversity, Equity, Inclusion and Belonging, and has incorporated them as measures of Executive Director performance. The Board has considered the results of an employee engagement survey undertaken in the second half of 2023, and various matters arising out of it. The Remuneration Committee also considered broader workforce remuneration during the year.
(c) Fostering business relationships with suppliers, customers and others	Details on engagement with Bridgepoint's stakeholders are set out on pages 37 to 40.
(d) Impact of operations on the community and the environment	During 2023, the Board's ESG Committee discussed ESG matters and the Board considered the Group's charitable giving strategy as well as the Group's tax strategy. Further details on ESG and sustainability matters are set out on pages 42 to 47. The Group has been carbon neutral and operating on 100% renewable electricity since 2020. There were also continued efforts in 2023 to drive DEIB initiatives both at Bridgepoint and within our portfolio.
(e) Desirability of maintaining a reputation for high standards of business conduct	The corporate governance framework of the Group is summarised on pages 87 to 89. The Board has pursued compliance with substantially all of the Corporate Governance Code since the Company's IPO. At Board meetings, the Group's Company Secretary highlights developments in corporate governance and wider legal requirements.
(f) The need to act fairly as between members of the Company	Details on engagement with Bridgepoint's shareholders are set out on page 38. The Board's decisions in respect of both the ECP transaction and the share buyback programmes included consideration of the effect of each on the members of the Company and how to act fairly as between them.

How we approach sustainability

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

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

When we invest, we invest to grow. Bridgepoint looks to support strong-performing, good-quality, well-managed businesses that have the potential to flourish, whether via international expansion, operational improvement or acquisitions.

But that's not all we look for. We want to generate attractive returns in a manner the millions of beneficiaries of our funds can be proud of. From the outset, this is what we have strived to achieve.

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

To create lasting and sustainable positive impact

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

1. **We believe that business can and should be a force for good.**
We drive growth and build value by connecting people, capital, ideas and opportunities.

2. **We believe we must invest in our world and its environment.**
Environmental action is ushering in a new era of innovation, efficiency, and sustainable growth. Climate change represents an investment risk and an opportunity.

3. **We believe in the power of the individual.**
By bringing diverse teams together that reflect the world in which we live, we can deliver better performance.

4. **We believe well-governed businesses perform better and are more resilient.**
Structure, accountability, effective decision-making, and performance monitoring all enable sustainable success for all stakeholders.

We evaluate our four core sustainability beliefs across essential areas: our group operations as entity, our investment decision making, our portfolio operations, and portfolio practices.

Sustainability at Group level

It is our aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards.

2019

Since 2019, Bridgepoint has been calculating its firm-level carbon footprint on an annual basis and since 2020 has been offsetting the greenhouse gas emissions associated with our operations (including scope 1,2,3 emissions, excluding scope 3 category 15 financed emissions).

2020

Since 2020, we operate our global office network on 100% renewable energy, partnering with ACT Commodities, a Bridgepoint portfolio company and leading supplier of market-based environmental solutions.

2023

The partnership with ECP will mark a step change in the Group's sustainability impact. In 2023, we have also established an ESG Committee of the Board to oversee the implementation of the Group's ESG and DEIB policies

→ See more on ECP on **pages 12 to 17**

→ See ESG committee report on **page 99**

Governance

Laying our sustainability foundations

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

Our Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning. It met twice in 2023 and assists the Board in fulfilling its oversight responsibilities in relation to ESG matters.

→ Read more about our ESG Committee on page 99.

Harnessing the power of our people

Bridgepoint is an international business: our employees come from over 30 nations and 55% of investment professionals are multilingual. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every level and to ensure we foster an inclusive culture where everyone has equal opportunity to succeed – we are currently at 25%+ female representation in investment teams and aim to be 30% by the end of 2025 (40% if you exclude partners).

→ Read more about DEIB on pages 32 to 35.

Upon joining Bridgepoint, all new employees are provided with sustainability training, providing new joiners with important information on sustainability activity and our progress. In addition, throughout 2023, the Sustainability team hosted training seminars for the investment teams including sessions covering climate change and responsible investment. These sessions form part of a regular ESG and DEIB training program.

Sustainability team

Across the group we have a dedicated sustainability team of seven who play a pivotal role in strengthening our programme and driving performance at a Group level and across fund portfolios.

Sustainability through the private equity investment cycle

Before, during, after

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

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

Pre-investment	Directly post-investment	During the investment period	At divestment
When we first consider a potential investment, our team will identify any potential sustainability red flags and opportunities as part of our early transaction screening. As an example, we have a private equity exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on sustainability grounds at this or any later stage.	We aim to discuss sustainability collaboratively with portfolio companies as early as possible – from the due diligence stage before we have made the investment through to signing and closing the investment and beyond.	Throughout the fund investment period, we regularly review sustainability programmes and progress with management teams, ensuring alignment with Bridgepoint's expected standards and industry-specific good practice. Our objective is to create value by embedding sustainability practices at our portfolio companies.	Our goal is to set up businesses for sustainable success following the Bridgepoint investment period.

As the opportunity moves into full diligence

The investment team is responsible for ensuring that any sustainability-related issues are identified and assessed. Third party ESG due diligence is a requirement for every potential investment and forms a key input to the decision making of the relevant investment committee.

Following completion

As part of a 100-day plan, the investment team will work with management to ensure the right governance structure for ESG is in place. For example, this could include ensuring there is a Board member responsible for ESG matters and a member of the team individual responsible for ESG on a day-to-day basis.

Typically during this early stage of the investment period the Bridgepoint's team will support the management team to prioritise a number of ESG related initiatives based on a combination of pre investment due diligence and engagement with the management teams.

During investment

Bridgepoint provides guidance and support to management teams via Bridgepoint's Board representatives and dedicated sustainability team. For the Sustainability team this often includes the coordination of external ESG advisers to support on specific projects as well as 1:1 sessions providing support on the development and implementation of sustainability strategy. In addition, portfolio companies have access to a 'Sustainability Resource Centre' which provides guidance, tools and resources covering key topics such as developing sustainability strategies, as well as information on Bridgepoint's compliance and climate programmes.

A final key element of ESG engagement with portfolio companies is reporting. We understand the importance of collecting and reporting reliable sustainability data and do this via an annual portfolio company survey. Each portfolio company supplies a range of ESG related information, from which a selection of KPIs forms part of the regular reporting presented to the relevant Portfolio Monitoring Committee.

At divestment

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

Sustainability through the private credit investment cycle

Lending weight

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

Where we make credit investments, we apply an ESG due diligence framework and offer ESG related loan pricing incentives. Where Bridgepoint Credit holds a meaningful equity stake, the credit team supports the implementation of appropriate ESG policies and relevant KPIs to mitigate potential sustainability risks.

Pre-investment screening

When assessing the attractiveness of an investment opportunity, we consider material sustainability aspects as part of our due diligence. Our sustainability analysis is included within the investment recommendation reports which are shared with the relevant credit investment committees, which consider the information as part of the ultimate investment decision.

In addition, an assessment of the governance and policies of the owner of the company is implemented to ensure its governance and policies are in line with Bridgepoint's sustainability standards. The due diligence process involves the completion of an ESG questionnaire which results in a scoring of the company's sustainability practices and solutions.

Incentivisation

We offer incentives to sponsors where appropriate with ESG-linked margin ratchets and regularly monitor portfolio company performance relative to ESG-related KPIs agreed within ESG margin ratchets. These KPIs are typically linked to the interest rate margin of a loan which can be increased or decreased to reflect underperformance or outperformance.

Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles ("SLLPs"), and are therefore material and ambitious sustainability topics relevant to the company. KPIs may include carbon emission reduction, waste reduction, increasing employee diversity, and improving performance within third-party sustainability.

Monitoring

We use a regular ESG survey to assess portfolio sustainability performance on an ongoing basis and use this survey as a platform for engagement with portfolio companies.

Additionally, twice a year, we conduct a formal ESG portfolio review to evaluate sustainability progress and identify any issues that need to be addressed. These reviews provide an opportunity for the credit investment team to engage with portfolio companies, gain sustainability related information and revise our internal scoring of a company's ESG practices and solutions.

ESG-linked margin ratchets

In 2023, Bridgepoint Credit organised for a sustainability council to the Loan Market Association (LMA) to run training on the SLLPs and in particular, how they should be used to structure robust ESG margin ratchets. This training was provided to the Bridgepoint Credit investment team members and the Sustainability team to support them to implement robust and ambitious ESG-linked margin ratchets. Bridgepoint Credit's Sustainability team has also developed an 'ESG Margin Ratchet Introduction' document for portfolio companies to give an overview or our approach and some guidance regarding KPI and target setting.

Embedding our climate impact assessments

Our long-term goal is to make the assessment of climate impact a core part of our credit analysis. The challenge is to obtain data from companies that do not often measure their own climate impact. In 2022, Bridgepoint Credit partnered with a leading global carbon accounting platform to assess the carbon footprints of BDL III and BCO IV portfolio companies. In 2023, we have extended the scope to include BDL II and a number of SMAs. Please see pages 78 to 80 for TCFD Metrics and targets for more information.

Sustainability at ECP

A key milestone in Bridgepoint's sustainability journey last year was the announcement that ECP, a leading North American infrastructure investor specialising in energy transition and sustainability-focused investing, will be joining the platform.

This partnership underscores a unified commitment within Bridgepoint and ECP to embed sustainability principles across our group operations, investment strategies, and portfolio practices, reflecting our shared dedication to responsible investing.

→ Refer to **pages 12 to 17** for more information on ECP

Sustainability industry associations

Bridgepoint drives positive change in the investment industry

Sustainability initiatives

- **Sustainable Markets Initiative ("SMI")** – We are members of the SMI's private equity roundtable. The SMI, which was launched by HM The King at the World Economic Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.
- **Initiative Climate International ("iCI")** – In 2021, Bridgepoint joined the iCI, an initiative for private equity action on climate change in support of a collective commitment to understand and reduce carbon emissions of private equity-backed companies and secure sustainable investment performance.
- **ESG Data Convergence Initiative ("EDCI")** – We are a founding member of the EDCI which was set up by a group of GPs and LPs in 2021 led by CalPERS and Carlyle. The EDCI is the private equity industry's first-ever collaboration to align on a standardised set of ESG metrics and a mechanism for comparative reporting. Throughout 2023, we served as a Steering Committee member which is a position we have held since 2021.

DEIB initiatives

- **Level 20** – A not-for-profit organisation which promotes gender equality and diversity in private equity. Bridgepoint's co-head of UK investment activities, Emma Watford (Partner and Chair of the DEIB Committee), sits on Level 20's Advisory Committee.
- **France Invest** – Bridgepoint's Head of Capital Markets, Edouard Giuntini, co-heads the Talent & Diversity Commission of France Invest, which promotes industry-wide efforts to increase diversity within investment firms and the businesses they support. Other members of the Paris investment team are also active within the commission, including Anne-Sophie Moinade, who co-led the publication of France Invest's rule-book to promote social diversity at industry level, issued in 2022.
- **ILPA's Diversity in Action** – Bridgepoint is a signatory to the Institutional Limited Partners Association's 'Diversity in Action' initiative which aims to advance diversity, equity and inclusion.
- **10,000 Black Interns** – We became a member of the '10,000 Black Interns' programme in 2020 to help address the under representation of Black talent in the financial sector.
- **Out Investors** – We are a member of Out Investors, a global organisation that was founded with the mission to make the direct investing industry more welcoming for LGBTQ+ individuals.

→ Read more about DEIB on **pages 34 and 35**

A track record of industry leadership

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

2009
Launched the Bridgepoint Charitable Trust

2013
Became a UN PRI signatory

Published our first Responsible Investment Policy

2014
Sustainability topics become embedded in investment decision-making

2016
Sustainability incorporated into our governance with the inaugural executive ESG Committee meeting

Founding member of BVCA training on responsible investment which was rolled out to all investment team members

2017
Dedicated Sustainability team launched

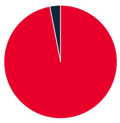
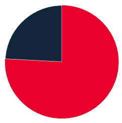
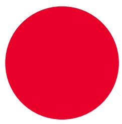
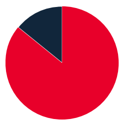
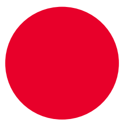
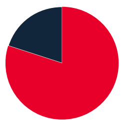
2019
Consistent sustainability reporting across the and portfolio established

First GHG footprint calculated for the Group (firm-level)

Sustainability performance

UN PRI 2023 score published in 2023

In our 10th year as a UN PRI signatory, we are pleased to have received the top rating (5 stars) in all three core modules of the assessment, including achieving full marks for the private debt and private equity modules. Additionally, we scored 4 stars in the new module – Confidence Building.

Module	Bridgepoint	Peer Median
Policy, Governance and Strategy	97 / 100 	76 / 100 
Direct – Private equity	100 / 100 	86 / 100 
Direct – Fixed income – Private debt	100 / 100 	80 / 100 

This achievement recognises Bridgepoint's effort and commitments to being a leader in corporate responsibility, and to integrating environmental, social, and governance principles into the full lifecycle of our investments.

Sustainalytics

For the second time, we received a Sustainalytics score in 2023, which put us in the 16th percentile (from the top) in our sub-industry (Asset Management and Custody Services). Whilst this is a good result, we will continue to develop our processes and aim to improve our score on a year-on-year basis.

→ For more information on climate risk and risk management more generally please see pages 74 to 81

2020

Bridgepoint Hardship Fund launched to help support our communities through Covid-19

2021

BE VII, BG II, BDL III and BCO IV become Bridgepoint's first SFDR Article 8 aligned funds

ESG-linked bridge facilities put in place for BCO IV and BDL III, a first for Bridgepoint Credit

Purchase of renewable energy attribute certificates for 100% renewable electricity for 2020 onwards

Purchase of carbon offsets to contribute to carbon neutrality for 2020 onwards

2022

Bridgepoint's Sustainability team grows to five including a dedicated credit resource

ESG-linked bridge facility put in place for BE VII, a first for Bridgepoint Private Equity

Project launched to estimate our financed emissions across the private equity and credit portfolios

2023

Bridgepoint Group plc ESG Committee constituted, replacing the previous executive-level committee

Bridgepoint's Sustainability team grows to seven including a dedicated climate & environment resource

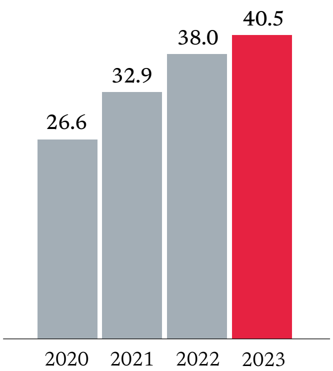
Sustainability-linked loan set up for a Plc lending facility with climate and DEIB KPIs

Project launched to refresh portfolio climate risk assessment and start looking at natural capital risk

KPIs: tracking our performance

Total AUM (€bn)

€40.5bn



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

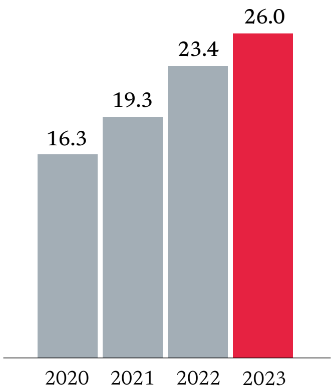
Definition
See page 53 for a detailed definition

Link to strategy
All three pillars of our strategy aim to grow AUM (see page 22)

Outcome
Total AUM increased by 6.6% primarily due to additional commitments raised for BE VII, BDL III, BCO IV and the impact of revaluations of fund investments.

Fee Paying AUM (€bn)

€26.0bn



Description
Assets under management upon which management fees are charged by the Group, including CLOs

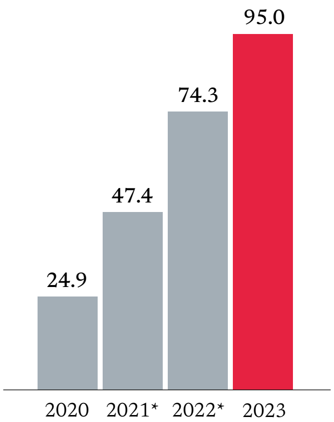
Definition
See page 53 for a detailed definition

Link to strategy
All three pillars of our strategy aim to grow AUM (see page 22)

Outcome
Fee Paying AUM increased by 11.1% primarily due to additional BE VII commitments and an increase in invested capital in our Credit strategies.

Underlying FRE (£m)

£95.0m



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

Definition
See page 51 for definition

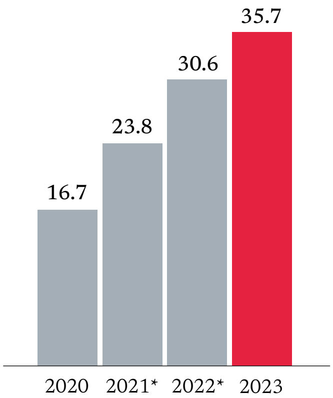
Remuneration linkage
Links to the 'FRE' element of the annual bonus plan

* restated to exclude non-operating foreign exchange gains/losses.

Outcome
Underlying FRE grew 27.9% to £95.0m due to higher management and other fees and prudent cost control.

Underlying FRE margin (%)

35.7%



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

Definition
See page 51 for definition

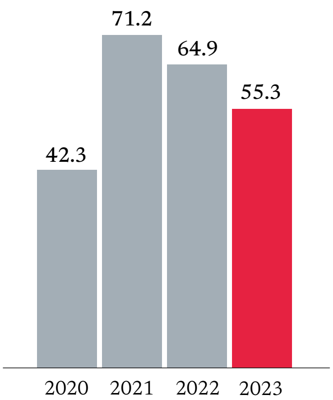
Guidance
35% in the medium-term until BE VIII starts to generate fees

* restated to exclude non-operating foreign exchange gains/losses.

Outcome
Underlying FRE margin improved to 35.7% due to higher management and other fees and prudent cost control.

PRE (£m)

£55.3m



Description
Performance Related Earnings ("PRE") is a measure of income attributable to fund performance and consists of income from the fair value remeasurement of investments and carried interest

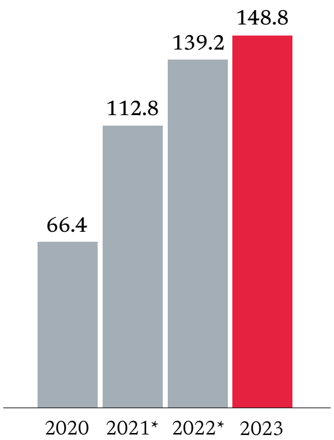
Definition
See page 51 for definition

Remuneration linkage
Links to 'PRE' element of the annual bonus plan

Outcome
PRE was 14.8% lower due to reduced levels of exits in Bridgepoint funds.

Underlying EBITDA (£m)

£148.8m



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

Definition
See page 51 for a detailed definition

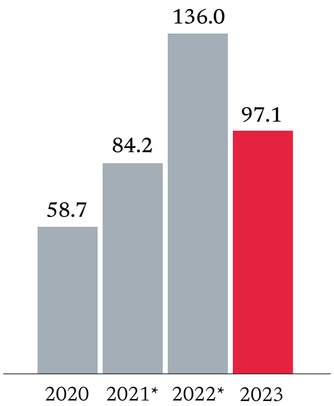
Link to strategy
All three pillars of our strategy aim to grow EBITDA (see page 22)

* restated to exclude non-operating foreign exchange gains/losses.

Outcome
Underlying EBITDA grew to £148.8m due to higher management and other fees and prudent cost control.

EBITDA(£m)

£97.1m



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

Definition
See page 51 for a detailed definition

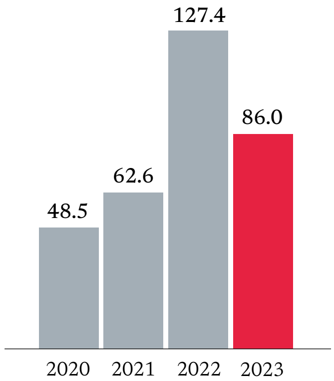
Link to strategy
All three pillars of our strategy aim to grow EBITDA (see page 22)

* restated to exclude non-operating foreign exchange gains/losses.

Outcome
EBITDA decreased by 28.6% with the increase in Underlying EBITDA more than offset by the increase in exceptional expenses due to the ECP transaction.

Profit before tax (£m)

£86.0m



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

Definition
Profit for the year attributable to equity shareholders before taxation

Outcome
Reported profit before tax decreased by 32.5% to £86.0 million in 2023, reflecting the transaction costs associated with the ECP acquisition.

Alternative performance measures

These full-year results include several measures which are not defined or recognised under International Financial Reporting Standards ("IFRS"), including financial and operating measures relating to the Group such as EBITDA, Underlying EBITDA, Underlying EBITDA margin, Underlying profit before tax, Underlying FRE, Underlying FRE margin, PRE, 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 Group's business and financial performance, track the Group's progress and help develop long-term strategic plans. These APMs are presented to provide additional information to investors and enhance their understanding of the Group's results and operations. Furthermore, the Board believes that these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. However, as these measures are not determined in accordance with IFRS or any generally accepted accounting standards, and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools. In particular, there are no generally accepted principles governing the calculation of these measures and the criteria on which these measures are based can vary from company to company, which means that other companies may define and calculate such measures differently from the Group.

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

The consolidation of these CLOs could distort how a reader of the financial statements interprets the balance sheet and cash flows of the Group, therefore the CFO statement includes a summarised non-statutory balance sheet and cash flow statement which exclude the third-party CLO assets and liabilities. Such measures are also APMs. Full versions of these statements can be found on pages 194 and 195.

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

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 operating expenses.

Underlying EBITDA

Calculated by excluding exceptional items and certain share-based payments 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.

The excluded share-based payments relate to awards that were granted following the IPO to a targeted group of employees with the aim of increasing employee ownership in the Group. The awards are not considered to be an alternative to cash-based compensation, are not included in the cost-base when considering operating segment performance and will cease to be a reconciling item once the awards issued as part of the strategy are fully vested. The share-based payment expenses related to the executive director Restricted Share Plan, and any share-based payment charges on awards made prior to the IPO are included in underlying costs.

A breakdown of exceptional items within EBITDA is included within note 8 of the financial statements, on page 152.

Underlying EBITDA	2023 £m	2022 £m*
EBITDA	97.1	136.0
Add back: exceptional items within EBITDA	47.7	3.2
Add back: certain share-based payments	4.0	–
Underlying EBITDA	148.8	139.2

Underlying EBITDA margin

Underlying EBITDA as a percentage of total operating income.

Underlying FRE

Underlying EBITDA less carried interest and income from the fair value remeasurement of investments and adding back the cost of bonuses linked to investment profits.

Underlying FRE	2023 £m	2022 £m*
Underlying EBITDA	148.8	139.2
Less: carried interest	(30.0)	(24.2)
Less: fair value remeasurement of investments	(25.3)	(40.7)
Add back: investment linked bonuses	1.5	–
Underlying FRE	95.0	74.3

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 FRE margin	2023 £m	2022 £m*
Underlying FRE	95.0	74.3
Total operating income	321.6	307.4
Less: carried interest	(30.0)	(24.2)
Less: fair value remeasurement of investments	(25.3)	(40.7)
Adjusted total operating income	266.3	242.5
Underlying FRE margin	35.7%	30.6%

PRE

Performance Related Earnings is calculated by adding the fair value remeasurement of investments to carried interest income.

PRE	2023 £m	2022 £m
Carried interest	30.0	24.2
Fair value remeasurement of investments	25.3	40.7
PRE	55.3	64.9

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses

Alternative performance measures *continued*

Underlying profit before tax

Calculated by excluding exceptional items, certain share-based payments and the amortisation of acquisition related intangible assets from within profit before income tax.

Underlying profit before tax	2023 £m	2022 £m
Profit before tax	86.0	127.4
Add back: exceptional items within EBITDA	47.7	3.2
Add back: amortisation of acquisition related intangible assets	3.0	3.0
Add back: certain share-based payments	4.0	–
Less: exceptional other income	(6.9)	(13.6)
Total underlying profit before tax	133.8	120.0

Underlying profit before tax margin

Underlying operating profit before tax as a percentage of total operating income.

Underlying profit after tax margin

Underlying profit after tax as a percentage of total operating income.

Underlying 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 at the period end.

Underlying basic and diluted EPS	2023 £m	2022 £m
Profit after tax	70.7	120.6
Add back: exceptional items within EBITDA	47.7	3.2
Add back: amortisation of acquisition related intangible assets	3.0	3.0
Add back: certain share-based payments	4.0	–
Less: exceptional other income	(6.9)	(13.6)
Total underlying profit after tax	118.5	113.2
Number of shares at year end (m)	794.6	823.3
Underlying basic and diluted EPS (£)	0.15	0.14

Cash conversion ratio

Calculated by dividing cash generated from operations (excluding exceptional and adjusted items) by underlying FRE.

Cash conversion ratio	2023 £m	2022 £m*
Cash generated from operations	99.7	35.6
Exceptional and adjusted items within cash flows from operations	18.3	0.1
Adjusted cash generated from operations	118.0	35.7
Underlying FRE	95.0	74.3
Cash conversion ratio	124.2%	48.0%

Non-current assets (excluding third-party CLO assets)

Calculated by excluding consolidated third-party CLO non-current assets from total non-current assets as defined by IFRS, and adding back the investment into CLOs on a non-consolidated basis.

Non-current assets (excluding third-party CLO assets)	2023 £m	2022 £m
Total non-current assets	582.2	540.0
Add: investment in CLOs on a non-consolidated basis	81.1	45.2
Non-current assets (excluding third-party CLO assets)	663.3	585.2

* Comparative information has been restated to exclude non-operating foreign exchange gains and losses

Current assets (excluding third-party CLO assets)

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

Current assets (excluding third-party CLO assets)	2023 £m	2022 £m
Total current assets	**1,795.5**	1,247.8
Less: consolidated CLO assets	**(1,348.8)**	(741.3)
Less: consolidated CLO cash	**(76.0)**	(24.6)
Current assets (excluding third-party CLO assets)	**370.7**	481.9

Non-current liabilities (excluding third-party CLO liabilities)

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

Non-current liabilities (excluding third-party CLO liabilities)	2023 £m	2022 £m
Total non-current liabilities	**1,318.8**	757.1
Less: fair value of consolidated CLO liabilities	**(1,152.0)**	(597.5)
Non-current liabilities (excluding third-party CLO liabilities)	**166.8**	159.6

Current liabilities (excluding third-party CLO liabilities)

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

Current liabilities (excluding third-party CLO liabilities)	2023 £m	2022 £m
Total current liabilities	**337.7**	258.0
Less: consolidated CLO liabilities	**(14.9)**	(2.6)
Less: consolidated CLO purchases awaiting settlement	**(176.8)**	(120.6)
Current liabilities (excluding third-party CLO liabilities)	**146.0**	134.8

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.

Fee Paying AUM in 2023 is €26.0 billion, or €36.7 billion pro forma for the ECP transaction.

Total AUM

The total value of unrealised assets as of the relevant date (as determined pursuant to the latest quarterly or semi-annual valuation for each Bridgepoint fund conducted by the Group) plus undrawn commitments managed by the Group. The valuations for Total AUM come from the Group's valuations of the investments of the Bridgepoint funds.

The Group values all investments of the Bridgepoint funds at least twice a year, but in most cases four times a year. Each investment undergoes the same detailed valuation process, in accordance with the Group's valuation policies and in line with fund requirements. Completed valuations are presented and discussed at the relevant Bridgepoint valuation committee and are audited at year end by the relevant fund auditor.

Total AUM in 2023 is €40.5 billion, or €61.6 billion pro forma for the ECP transaction.

Management fee margin on Fee Paying AUM

The underlying management fee rate in the Bridgepoint funds, calculated as the weighted average management fee rate for all Bridgepoint funds contributing to Fee Paying AUM as at the end of the accounting period.

CFO statement

The Group's financial performance in 2023 delivers profits which are ahead of expectations due to careful cost management, fees which are in line with expectations and investment income modestly outperforming expectations despite the more challenging, but improving, market conditions. Fundraising for BE VII is completing soon (and on target), with the completion of the ECP transaction expected in the second quarter, together means the Group is positively positioned at the start of 2024.

Group financial performance in 2023 was driven by 6.6% growth in Total AUM to reach €40.5 billion and an 11.1% increase in Fee Paying AUM to €26.0 billion at year end. This increase drove a £23.8 million or 9.9% increase in management and other fees (including the recognition of £6.7 million of late fees relating to BE VII). When combined with careful cost management, personnel investment phased to fundraising progress, and a lower bonus pool reflecting the reduced numbers of exits compared to prior periods, this helped deliver a 27.9% increase in underlying FRE, and a 5.1 percentage point increase in underlying FRE margin to 35.7%.

Investment performance delivered £55.3 million of PRE despite volatile and uncertain markets delaying exits. Whilst PRE is not linear and was materially weighted to the second half as advised at our 2023 interim results, our second half performance does reflect improving economic conditions compared with the first half of the year.

PRE, in combination with Underlying FRE, delivered Underlying EBITDA of £148.8 million, an increase of £9.6 million or 6.9%.

Underlying profit before tax of £133.8 million was £13.8 million or 11.5% higher than the previous year, primarily driven by the full year impact of BE VII and growth of Fee Paying AUM in our credit business, with good momentum on deployment and the de-risking of carried interest through fund performance, partially offset by modest cost growth and slightly lower investment returns.

Reported profit after tax of £70.7 million includes the impact of costs incurred in the ECP transaction.

The pending ECP transaction, expected to complete in Q2, is a major step in delivering on the strategy set out at the time of the IPO, adding Infrastructure as a significant third pillar alongside our Private Equity and Credit businesses. The transaction positions the Group well for future growth and diversification and will be immediately accretive to FRE and earnings per share.

During 2023, we completed an initial share buyback programme of £50.0 million and in October 2023 announced a second programme committing up to a further £50.0 million, reflecting the confidence we have in the resilience of our business and the attractive fundamental value and prospects of the Company. At 31 December 2023, £10.2 million of the second £50.0 million had been used to repurchase shares.

The Group was well-capitalised at year end with a net cash position of £238.8 million (excluding cash belonging to consolidated CLOs) alongside undrawn revolving credit banking facility of £250.0 million.

We also recently priced $430.0 million of US private placement notes. This new financing further strengthens the balance sheet and provides the Group with further resources to continue our strategic growth plans, as well as an amount which will be used to refinance part of the debt which will transfer with ECP.

Adam Jones
Group Chief Financial Officer
and Chief Operating Officer

Throughout the course of this section reference is made to adjusted measures which the Company considers to be APMs or key KPIs. These are not defined or recognised under IFRS but are used by the Directors and management to analyse the business and financial performance, track the Group's progress and help develop long-term strategic plans. Pages 50 to 53 set out definitions of each of the APMs used within the CFO statement and how they can be reconciled back to the financial statements.

→
Adam Jones
Group Chief Financial Officer &
Chief Operating Officer

Summary

Financial summary

	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Total AUM (€bn)	**40.5**	38.0	6.6%
Fee Paying AUM (€bn)	**26.0**	23.4	11.1%
Management fee margin on Fee Paying AUM (%)	**1.12%**	1.16%	(0.04)ppt
Management and other fees (£m)	**265.3**	241.5	9.9%
PRE (£m)	**55.3**	64.9	(14.8)%
Total operating income (£m)	**321.6**	307.4	4.6%
Total expenses (excluding exceptional expenses and adjusted items) (£m)*	**(171.3)**	(168.2)	1.8%
Underlying EBITDA (£m)*	**148.8**	139.2	6.9%
Underlying EBITDA margin (%)*	**46.3%**	45.3%	1.0ppt
Underlying FRE (£m)*	**95.0**	74.3	27.9%
Underlying FRE margin (%)*	**35.7%**	30.6%	5.1ppt
Underlying profit before tax (£m)	**133.8**	120.0	11.5%
Reported profit before tax (£m)	**86.0**	127.4	(32.5)%
Reported profit after tax (£m)	**70.7**	120.6	(41.4)%
Reported basic and diluted EPS (pence)	**8.7**	14.6	(40.3)%
Underlying basic and diluted EPS (pence)	**14.9**	13.8	8.5%

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Fundraising

Private Equity AUM at 31 December 2023 amounted to €28.1 billion.

The BE VII strategy is expected to hold its final close in March, with €7 billion of commitments.

Bridgepoint Direct Lending ("BDL") III concluded fundraising in May 2023. In total, including separately managed accounts, the strategy raised over €3.4 billion of investable capital. The second half of 2023 saw Bridgepoint Credit Opportunities ("BCO") IV holding its final closing, the launch of CLO 5 and CLO 6 entering warehousing. As a result of these fundraisings, Credit AUM ended the year at €12.4 billion.

Fundraising for Bridgepoint Development Capital ("BDC") V and BDL IV are now well underway, alongside other funds entering the market in 2024.

ECP AUM at 31 December 2023 amounted to $23.3 billion. Fundraising for ECP V is almost complete with commitments expected in excess of the $4 billion target we shared in September. Fundraising for ECP Forestar Credit Fund and related separately managed accounts remains in progress with a target of over $2 billion.

Overall, we expect to raise c. €20 billion across the Group, including ECP, weighted towards the ECP VI and BE VIII raises in the next fundraising cycle.

CFO statement *continued*

Total AUM development during the year

€ billion	Private equity	Credit	Total
31 December 2022	26.8	11.2	38.0
Fundraising	1.1	1.6	2.7
Divestments	(1.1)	(0.8)	(1.9)
Revaluations	1.3	0.4	1.7
31 December 2023	**28.1**	**12.4**	**40.5**

Total AUM at 31 December 2023 was €40.5 billion compared to €38.0 billion at the end of 2022. The 6.6% increase is primarily due to additional commitments raised for BE VII, BDL III, BCO IV and the impact of valuation growth of fund investments.

ECP AUM at 31 December 2023 was €21.1 billion.

Fee Paying AUM development during the year

€ billion	Private equity	Credit	Total
31 December 2022	16.4	7.0	23.4
Fundraising: fees on committed capital	1.4	–	1.4
Deployment of funds: fees on invested capital	0.2	1.8	2.0
Realisations	(0.2)	(0.6)	(0.8)
31 December 2023	**17.8**	**8.2**	**26.0**

Fee Paying AUM at 31 December 2023 was €26.0 billion compared to €23.4 billion at the end of 2022, with the 11.1% increase in 2023 primarily due to additional BE VII commitments and an increase in invested capital in our Credit strategies. In aggregate our Credit business added €1.2 billion of Fee Paying AUM during 2023, including the launch of new CLOs.

ECP Fee Paying AUM at 31 December 2023 was €10.7 billion.

Abbreviated income statement

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Management and other fees	**265.3**	241.5	9.9%
PRE	**55.3**	64.9	(14.8)%
Total operating income	**321.6**	307.4	4.6%
Total expenses*	**(224.5)**	(171.4)	31.0%
Total expenses (excluding exceptional expenses and adjusted items)*	**(171.3)**	(168.2)	1.8%
EBITDA*	**97.1**	136.0	(28.6)%
Underlying EBITDA*	**148.8**	139.2	6.9%
Underlying FRE*	**95.0**	74.3	27.9%
Depreciation and amortisation	**(18.7)**	(18.3)	2.2%
Net finance and other income**	**7.6**	9.7	(21.6)%
Net finance and other income/(expenses) (excluding exceptional net other income)**	**0.7**	(3.9)	(117.9)%
Underlying profit before tax	**133.8**	120.0	11.5%
Reported profit before tax	**86.0**	127.4	(32.5)%
Tax	**(15.3)**	(6.8)	125.0%
Reported profit after tax	**70.7**	120.6	(41.4)%

* 2022 total expenses, total expenses (excluding exceptional expenses and adjusted items), EBITDA, Underlying EBITDA, and Underlying FRE have been restated to exclude non-operating foreign exchange gains and losses.
** 2022 net other income and net other expenses (excluding exceptional net other income) have been restated to include non-operating foreign exchange gains and losses.

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, or PRE. Underlying FRE is management and other fees plus other operating income less costs excluding exceptional expenses, bonuses linked to investment returns and the costs associated with certain employee share schemes. PRE together with FRE forms the EBITDA of the business.

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. 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 2023, exceptional expenses within EBITDA were predominantly relating to transaction costs incurred in the acquisition of ECP. Exceptional other income outside of EBITDA relates to the remeasurement and revaluation of a deferred consideration payable to EQT. In the year ended 31 December 2022, exceptional expenses included costs related to the acquisition of the EQT Credit business and other potential acquisitions. Further explanation of these items is included within note 8 of the financial statements (see pages 152 and 153).

Underlying profit before tax excludes the aforementioned exceptional items, costs relating to certain employee share schemes and the amortisation of intangible assets arising from the acquisition of EQT Credit. Further explanation of these items is included within note 8 of the financial statements (see pages 152 and 153).

Total operating income

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Management and other fees	**265.3**	241.5	9.9%
PRE	**55.3**	64.9	(14.8)%
Other operating income	**1.0**	1.0	0.0%
Total operating income	**321.6**	307.4	4.6%

Total operating income increased by 4.6% from £307.4 million in 2022 to £321.6 million in 2023 reflecting higher management fees offset by reduction in fair value remeasurement of investments.

Management and other fees increased by £23.8 million, or 9.9%, from £241.5 million for the year ended 31 December 2022 to £265.3 million for the year ended 31 December 2023, and was attributable to the below reporting segments in the year.

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Private equity	**205.0**	187.8	9.2%
Credit	**56.5**	50.8	11.2%
Central	**3.8**	2.9	31.0%
Management and other fees	**265.3**	241.5	9.9%

The increase in fees was primarily due to a full year of BE VII fee paying commitments recognised by the Private Equity business in 2023, plus fees on increased levels of invested capital in BDL III and BCO IV and the launch of new CLOs in the Credit business. These increases were partially offset by declining fees on older funds which are in their divestment phase, where fees are based upon the remaining invested capital and reduce when investments are sold.

Income from the Group's share of carried interest reflects the continued growth in the value of the fund portfolios in 2023, along with the de-risking of carry receipts from exit activity and improved economic conditions. The income of £30.0 million is earned primarily from the BDC III portfolio and the initial recognition of carried interest from the BG I fund during the year.

Income recognised as a result of increases in the value of co-investments was £25.3 million. This reflected smaller valuation increases across the private equity fund range, in part due to lower levels of exits.

CFO statement *continued*

Operating expenses

£ million	Year ended 31 December 2023	Year ended 31 December 2022*	Change (%)
Personnel expenses (excluding exceptional expenses and adjusted items)	**(126.1)**	(125.8)	0.2%
Other operating expenses (excluding exceptional expenses)	**(45.2)**	(42.4)	6.6%
Total expenses (excluding exceptional expenses and adjusted items)*	**(171.3)**	(168.2)	1.8%
Certain share-based payments	**(4.0)**	–	n/a
Investment linked bonuses	**(1.5)**	–	n/a
Exceptional expenses	**(47.7)**	(3.2)	1,390.6%
Total expenses*	**(224.5)**	(171.4)	31.0%

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Personnel expenses (excluding exceptional expenses and adjusted items) increased by 0.2%, from £125.8 million in 2022 to £126.1 million in 2023, reflecting deliberate phasing of investment team hires to match fundraising progress and timing of replacement hires for natural attrition. 2023 costs also reflect a lower bonus expense associated with a lower number of investment exits during the year.

In the year ended 31 December 2023, reported personnel costs included £1.5 million of investment linked bonuses (2022: £nil) and £4.0 million of share-based payments (2022: £nil) excluded from underlying metrics for the reasons explained in the APM definitions on page 51.

Personnel expenses (excluding exceptional expenses and adjusted items) as a percentage of total operating income was 39.2% for the year ended 31 December 2023, compared to 40.9% for the year ended 31 December 2022. The improvement in the ratio in 2023 was primarily due to an increase in total operating income.

Other operating expenses (excluding exceptional expenses) as a percentage of total operating income remained broadly consistent at 14.1% for the year ended 31 December 2023, compared to 13.8% for the year ended 31 December 2022. Other operating expenses (excluding exceptional expenses) increased by 6.6% from £42.4 million in 2022 to £45.2 million in 2023 driven by higher fundraising costs and higher levels of travel activity.

EBITDA

£ million	Year ended 31 December 2023	Year ended 31 December 2022*	Change (%)
Underlying EBITDA*	**148.8**	139.2	6.9%
Exceptional expenses within EBITDA	**(47.7)**	(3.2)	1,390.6%
Certain share-based payments	**(4.0)**	–	n/a
EBITDA*	**97.1**	136.0	(28.6)%

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Underlying EBITDA increased to £148.8 million in 2023 from £139.2 million in 2022, excluding exceptional expenses and adjusted items. Whilst investment returns were lower than 2022 due to delayed exits across the private equity market, this was offset by higher management and other fees and prudent cost control.

Exceptional expenses within EBITDA of £47.7 million in 2023 primarily related to £43.5 million of transaction costs relating to the acquisition of ECP.

EBITDA, inclusive of exceptional expenses, adjusted items and other M&A due diligence costs, decreased by 28.6% primarily due to the increase in exceptional expenses due to the ECP transaction.

Depreciation and amortisation expense

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Depreciation	**(14.9)**	(15.3)	(2.6)%
Amortisation of intangibles	**(3.8)**	(3.0)	26.7%
Total depreciation and amortisation expense	**(18.7)**	(18.3)	2.2%

Depreciation and amortisation expense increased by 2.2% from £18.3 million in 2022 to £18.7 million in 2023. This increase was primarily due to the cessation of legacy leases in London following the move to 5 Marble Arch, offset by higher lease costs associated with new offices in Frankfurt and Amsterdam during 2023. The amortisation of intangibles acquired with the EQT Credit business (fund customer relationships) of £3.0 million in both 2022 and 2023 respectively have been excluded from the underlying profitability measures in order to enable a clearer analysis of the business's performance.

Finance and other income or expenses

£ million	Year ended 31 December 2023	Year ended 31 December 2022*	Change (%)
Net finance and other income/(expense), excluding exceptional items	**0.7**	(3.9)	(117.9)%
Exceptional other income	**6.9**	13.6	(49.3)%
Net finance and other income, including exceptional items	**7.6**	9.7	(21.6)%

* 2022 net other income/(expense) has been restated to include non-operating foreign exchange gains and losses.

Finance and other income or expenses includes interest income from cash deposits and interest cost on bank facilities, lease liabilities and finance expense on amounts payable to related party investors, along with non-operating foreign exchange gains and losses.

Net finance and other income, excluding exceptional items, increased by £4.6 million to income of £0.7 million, compared to a net expense of £3.9 million for the year ended 31 December 2022. These movements are principally due to increased interest income from cash on deposit. Net finance and other expenses will increase in 2024 as a result of the US private placement financing undertaken by the Group, along with the borrowings transferring with ECP.

Exceptional other income of £6.9 million (2022: £13.6 million) relates to remeasurement and revaluation of the deferred contingent consideration payable to EQT AB in relation to the acquisition of EQT Credit in 2020, and the associated unwind of discounting. The deferred consideration was settled during the year for a final amount of £9.4 million.

Profit before tax

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Underlying profit before tax	**133.8**	120.0	11.5%
Exceptional expenses	**(47.7)**	(3.2)	1,390.6%
Exceptional other income	**6.9**	13.6	(49.3)%
Certain share-based payments	**(4.0)**	–	n/a
Amortisation of acquisition related intangible assets	**(3.0)**	(3.0)	0.0%
Reported profit before tax	**86.0**	127.4	(32.5)%
Underlying profit before tax margin	**41.6%**	39.0%	2.6ppt

Underlying profit before tax increased by 11.5% from £120.0 million in 2022 to £133.8 million in 2023. The underlying profit before tax margin increased from 39.0% for the year ended 31 December 2022 to 41.6% for the year ended 31 December 2023.

Reported profit before tax decreased by 32.5% from £127.4 million in 2022 to £86.0 million in 2023, reflecting the transaction costs associated with the ECP acquisition.

CFO statement *continued*

Tax

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Tax	(15.3)	(6.8)	125.0%

The tax charge increased from £6.8 million in 2022 to £15.3 million in 2023. The effective tax rate for the year ended 31 December 2023 was 17.8% compared to 5.4% for the year ended 31 December 2022. This was primarily due to an increase in deferred tax liabilities which reflect the lower level of fund exits and the exceptional transaction costs relating to the ECP transaction. Adjusting for these transaction costs, the underlying effective tax rate is 11.4%.

As detailed in note 11 to the financial statements (see page 154), 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 due to certain forms of income that are not subject to UK corporation tax.

Profit after tax

£ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Profit after tax	70.7	120.6	(41.4)%

Profit after tax decreased by 41.4% from £120.6 million in 2022 to £70.7 million in 2023, reflecting the transaction costs associated with the ECP acquisition and the higher tax charge for the year.

Earnings per share and dividend per share

£ pence	Year ended 31 December 2023	Year ended 31 December 2022	Change (pence)
Reported basic and diluted earnings per share	8.7	14.6	(5.9)
Underlying basic and diluted earnings per share	14.9	13.8	1.1
Interim dividend per share	4.4	4.0	0.4
Final dividend per share	4.4	4.0	0.4

Underlying earnings per share grew by 1.1 pence per share, reflecting the increase in underlying profit after tax. An interim dividend of £35.3 million, or 4.4 pence per share, was paid on 25 September 2023.

The Directors are proposing a final dividend of 4.4 pence per share in respect of the second half of 2023.

Consolidated balance sheet

Summarised consolidated statement of financial position (statutory basis) £ million	As at 31 December 2023	As at 31 December 2022	Change (%)
Assets			
Non-current assets	582.2	540.0	7.8%
Current assets	1,795.5	1,247.8	43.9%
Total Assets	2,377.7	1,787.8	33.0%
Liabilities			
Non-current liabilities	1,318.8	757.1	74.2%
Current liabilities	337.7	258.0	30.9%
Total Liabilities	1,656.5	1,015.1	63.2%
Net Assets	721.2	772.7	(6.7)%
Equity			
Share capital and premium	289.9	289.9	0.0%
Other reserves	12.6	9.1	38.5%
Retained earnings	418.7	473.7	(11.6)%
Total Equity	721.2	772.7	(6.7)%

Net assets principally comprise cash and money market funds, 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 increased by 7.8% from £540.0 million at 31 December 2022 to £582.2 million at 31 December 2023 and current assets increased by 43.9% from £1,247.8 million at 31 December 2022 to £1,795.5 million at 31 December 2023, primarily due to the impact of the build-up of the CLO 5 portfolio following its launch and the warehousing of assets in CLO 6. The balance sheet now includes the full consolidation of the assets and liabilities of CLOs 1, 3, 4, 5 and 6, which are required under IFRS to be presented gross on the balance sheet.

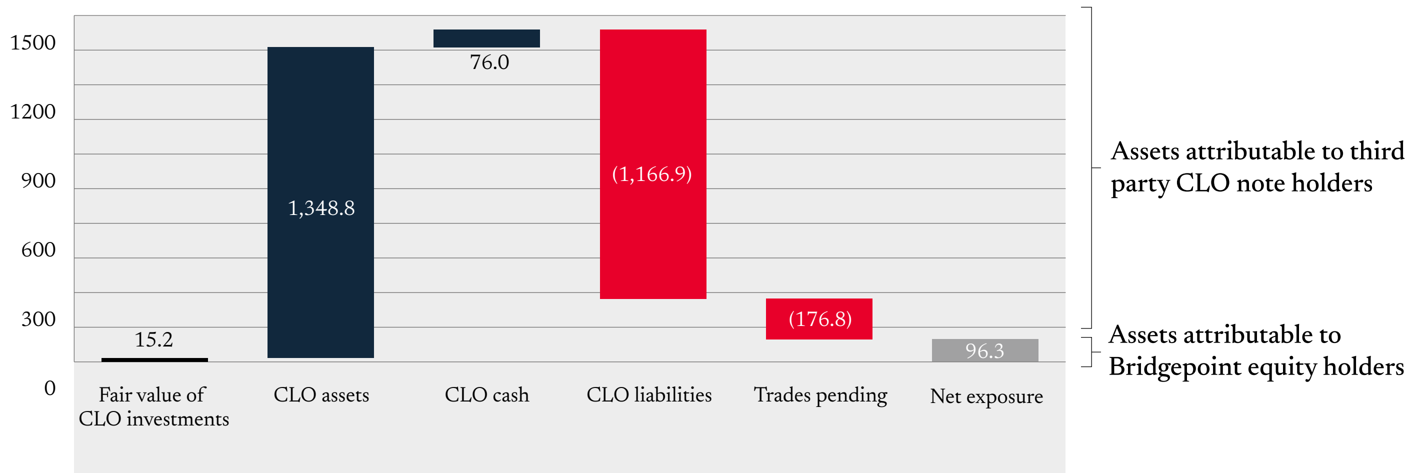
At 31 December 2023, the Group had cash of £238.8 million (including amounts in money market funds, but excluding cash belonging to the consolidated CLOs).

Total liabilities increased by 63.2% from £1,015.1 million at 31 December 2022 to £1,656.5 million at 31 December 2023. Non-current liabilities increased from £757.1 million at 31 December 2022 to £1,318.8 million at 31 December 2023, primarily due to an increased level of liabilities owed by consolidated CLOs. Current liabilities increased by 30.9% from £258.0 million at 31 December 2022 to £337.7 million at 31 December 2023. Excluding the impact of consolidated CLOs, non-current liabilities remained relatively stable, increasing by 4.5%.

Total equity reflects the 2023 profit, offset by dividends paid, the cost of the share buyback programme and a decrease in other reserves due to movements in fair value of hedging instruments, which is partially offset by foreign exchange movements. These resulted in total equity of £721.2 million at 31 December 2023, down from £772.7 million at 31 December 2022.

The consolidation of certain CLOs could distort how a reader of the financial statements interprets the balance sheet of the Group. The Group's maximum exposure to loss associated with its interest in the CLOs is limited to its investment in the relevant CLOs which at 31 December 2023 was £96.3 million (2022: £60.3 million).

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



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

Summarised consolidated statement of financial position (excluding third party CLO assets and liabilities, non-statutory)[1] £ million	As at 31 December 2023	As at 31 December 2022	Change (%)
Assets			
Non-current assets	**663.3**	585.2	13.3%
Current assets	**370.7**	481.9	(23.1)%
Total Assets (excluding third-party CLO assets)	**1,034.0**	1,067.1	(3.1)%
Liabilities			
Non-current liabilities	**166.8**	159.6	4.5%
Current liabilities	**146.0**	134.8	8.3%
Total Liabilities (excluding third-party CLO liabilities)	**312.8**	294.4	6.3%
Net Assets (excluding third-party CLO assets and liabilities)	**721.2**	772.7	(6.7)%

1. A full non-statutory consolidated statement of financial position excluding third-party CLO assets and liabilities (unaudited) is included on page 194.

CFO statement *continued*

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, from time-to-time, third-party debt.

Total financial debt and net cash position

£ million	As at 31 December 2023	As at 31 December 2022	Change (%)
Bank borrowings	–	–	–%
Cash and cash equivalents (excluding CLO cash)	**238.8**	196.0	21.8%
Term deposits with original maturities of more than three months	–	100.0	(100.0)%
Net cash (excluding consolidated CLO cash)	**238.8**	296.0	(19.3)%

At 31 December 2023, the Group had net cash of £238.8 million compared with net cash of £296.0 million at 31 December 2022.

Prior to the ECP transaction, the Group has no debt and had in place the undrawn £250 million revolving credit facility and the undrawn £75 million acquisition bridge facility (up-sized to £125 million subsequently to the year-end).

As announced recently, the Group recently priced $430.0 million of US private placement notes. The proceeds will be used to provide additional resources to deliver the Group's strategic growth plans and be used to refinance any amount of ECP debt which requires refinancing on the completion of the ECP change of control process. The new notes will be structured in four tranches with maturities of 3, 5, 7 and 10 years and an average coupon of 6.17 per cent. The closing of the new notes is expected during Q2 2024, subject to the completion of the ECP transaction and customary conditions.

As at 31 December 2023, in addition to the liabilities shown on the balance sheet, the Group had approximately £257.0 million and £30.3 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 2023	Year ended 31 December 2022	Change (%)
Net cash flows from operating activities	**95.0**	33.9	180.2%
Net cash flows from investing activities	**(320.0)**	(57.3)	458.5%
Net cash flows from financing activities	**325.6**	(86.6)	(476.0)%
Net increase/(decrease) in cash and cash equivalents	**100.6**	(110.0)	(191.5)%
Total cash and cash equivalents at beginning of the year	**220.6**	327.3	(32.6)%
Effect of exchange rate changes	**(6.4)**	3.3	(293.9)%
Total cash and cash equivalents at the end of the year	**314.8**	220.6	42.7%
of which: cash and cash equivalents at the end of the year (for use within the Group)	**238.8**	196.0	21.8%
of which: CLO cash (restricted for use within relevant CLO)	**76.0**	24.6	208.9%
Total cash and cash equivalents at the end of the year	**314.8**	220.6	42.7%

Net cash flows from operating activities for the year ended 31 December 2023 were £95.0 million. The increase of £61.1 million in the net cash flows from operating activities compared to the year ended 31 December 2022 was due to the favourable movements in the Group's working capital. Operating cash flows, excluding the payment of exceptional costs relating to the ECP transaction, represented 124.2% of FRE demonstrating the strong cash generation of the business (2022: 48.0% due to the delayed receipt in the collection of certain management fees, accumulation of fundraising costs recoverable from funds and timing differences on fund related payments).

Net cash flows from investing activities include receipt of deferred proceeds from the sale of the Group's investment in Bridgepoint Credit II, proceeds from carried interest and investment income, which is driven by the timing of investments into, and receipts from divestments from, the underlying Bridgepoint funds. Net cash flows from investing activities for the year ended 31 December 2023 were £320.0 million; this was made up of investments of £449.9 million relating to consolidated CLOs, which includes the impact of the launch of CLO 5 and the warehousing of CLO 6 (which are both consolidated), and the receipt of £100.0 million redeemed from cash held in term deposits with an original maturity of more than three months which was classified separately from cash and cash equivalents at 31 December 2022 under accounting rules.

Net cash flows from financing activities include cash drawn from and repaid to consolidated CLO investors, dividend payments to shareholders and other transactions with shareholders. For the year ended 31 December 2023 net cash flows from financing activities totalled £325.6 million, which primarily related to net inflow of CLO cash from investors in CLO 4 and 5 (which are consolidated) of £576.2 million, offset by dividends paid to shareholders of £68.0 million and payments to acquire shares as part of the share buyback programme, which totalled £60.2 million by the end of the year.

In addition to £238.8 million of its own cash at 31 December 2023, the Group had £76.0 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 in respect of the consolidated CLOs, and cash held at 31 December 2023 for those CLOs which are required to be consolidated. This could distort how a reader of the financial statements interprets the cash flows of the Group, therefore a cash flow statement without the consolidated CLO vehicles is presented below.

Summarised consolidated cash flow statement (excluding cash flows relating to consolidated CLOs, non-statutory)[1] £ million	Year ended 31 December 2023	Year ended 31 December 2022	Change (%)
Net cash flows from operating activities (excluding consolidated CLOs)	**95.0**	33.9	180.2%
Net cash flows from investing activities (excluding consolidated CLOs)	**94.3**	(93.7)	(200.6)%
Net cash flows from financing activities (excluding consolidated CLOs)	**(140.8)**	(69.6)	102.3%
Net increase in cash and cash equivalents (excluding consolidated CLOs)	**48.5**	(129.4)	(137.5)%
Cash and cash equivalents at beginning of the year (excluding consolidated CLOs)	**196.0**	323.1	(39.3)%
Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs)	**(5.7)**	2.3	(347.8)%
Cash and cash equivalents at the end of the year (excluding consolidated CLOs)	**238.8**	196.0	21.8%
Add back: investment in term deposits with original maturities of more than three months	**–**	100.0	(100.0)%
Net cash at the end of the year (excluding consolidated CLOs)	**238.8**	296.0	(19.3)%

[1]A full non-statutory consolidated cash flow statement excluding third-party CLO assets and liabilities (unaudited) is included on page 195.

Guidance

- **Fundraising:**
  - BE VII on track to close in line with expectations, with an average fee rate of 1.4%
  - expect to raise more than €20 billion across the wider platform during the next range of fund cycles
- **Credit deployment**: average increase in Fee Paying AUM of €1 billion a year from 2024 to 2026
- **PRE:**
  - expect H2 weighting in 2024 (c. 2/3) reflecting exit pipeline (in line with 2023)
  - expected to be at the upper end of our normal range of between 20% and 25% of total income
- **Cost**: excluding the impact of ECP, total costs in 2024 likely to represent mid to high single digit compound growth from 2022
- **Underlying FRE margin:**
  - expected to be around 30% to 35% in 2024 (including ECP)
  - medium term guidance of around 35% until BE VIII starts to generate fees
- **Group financing**: additional $430 million financing will pay fixed coupon of 6.17%
- **Tax**: blended Group underlying tax rate expected to be around 15% following ECP transaction

Our historical performance

	2019	2020	2021*	2022*	2023
Total AUM (€bn)	19.3	26.6	32.9	38.0	**40.5**
Fee Paying AUM (€bn)	12.7	16.3	19.3	23.4	**26.0**
Management fee margin on Fee Paying AUM (%)	1.25%	1.19%	1.18%	1.16%	**1.12%**
Management and other fees (£m)	143.9	148.6	197.7	241.5	**265.3**
PRE (£m)	24.0	42.3	71.2	64.9	**55.3**
Total operating income (£m)	169.8	191.8	270.6	307.4	**321.6**
Total expenses (excluding exceptional expenses and adjusted items) (£m)	116.7	125.4	157.8	168.2	**171.3**
EBITDA (£m)	53.1	58.7	84.2	136.0	**97.1**
Underlying EBITDA (£m)	53.1	66.4	112.8	139.2	**148.8**
Underlying EBITDA margin (%)	31.3%	34.6%	41.7%	45.3%	**46.3%**
Underlying FRE (£m)	29.1	24.9	47.4	74.3	**95.0**
Underlying FRE margin (%)	20.1%	16.7%	23.8%	30.6%	**35.7%**
Underlying profit before tax (£m)	47.5	52.6	90.5	120.0	**133.8**
Profit before tax (£m)	47.5	48.5	62.6	127.4	**86.0**
Reported basic and diluted EPS (p)	5.09	5.79	7.02	14.64	**8.74**
Underlying basic and diluted EPS (p)	5.09	6.29	10.41	13.75	**14.91**
Permanent headcount (at year end)	260	310	344	377	**391**

* 2021 and 2022 total expenses (excluding exceptional expenses and adjusted items), EBITDA, Underlying EBITDA, Underlying FRE and Underlying FRE margin has been restated to exclude non-operating foreign exchange gains/losses

An explanation of the alternative performance measures used by the Group, including Underlying profit before tax, Underlying EBITDA and reported and underlying basic and diluted earnings per share, is set out on pages 50 to 53 along with a reconciliation to the nearest statutory measures.

Viability and going concern statements

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

- a large proportion of revenue (75% for 2024 to 2026) is made up of income from long-term fund management contracts, with greater diversification on the completion of the acquisition of ECP;
- a significant majority (82%) of forecast management fees in 2024 to 2026 from funds already raised or in advanced fundraising progress, including ECP funds;
- a largely predictable cost base, of which over three quarters is personnel related;
- good visibility of income, expenditure and future profitability during and beyond the period covered by this assessment;
- a strong balance sheet, with net cash of £239 million at 31 December 2023, with no borrowings and an undrawn £250 million revolving credit banking facility;
- recent pricing of US private placement notes providing the Group with additional resources to continue its strategic growth plans and refinance any debt transferring with ECP requiring repayment; and;
- available levers to operate during stress events include reduced variable compensation costs and reduced dividend payments.

Viability statement

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

Assessment of prospects

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

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

Although the Strategic Plan covers a substantially longer period, the three-year period to December 2026 has been selected for the viability statement on the basis that it is the period over which forecasting assumptions are most reliable due to the high visibility of earnings from fees and investment returns.

The Strategic Plan reflects the Group's strategy, which is summarised on pages 22 to 23, including plans to scale existing strategies, develop new products and build new investment strategies.

Key assumptions within the Strategic Plan include:

- the raising of new funds, which impacts the amount of management fees;
- the timing and level of returns from funds, which impacts co-investment and carried interest cash flows and profit recognition;
- changes in the cost base, primarily in relation to people costs and inflation; and
- future business acquisitions, which expand investment strategies and strengthen performance.

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

Assessment of viability

The assessment of the Group's viability requires the Directors to consider the principal risks that could impact the Group, which are outlined on pages 70 to 73.

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

- Fund under-performance – prolonged and/or significant under-performance of multiple funds may adversely affect the Group's medium-term business, brand and reputation, income received by the Group, its growth and its ability to raise capital for future funds.
- Fundraising challenges – the inability to raise additional or successor funds (or only raise successor funds of a materially lower size to predecessor funds), or a change in the terms on which investors are willing to invest, could have a material adverse impact on the Group's business, revenue, net income, cash flows or the ability to retain employees.
- The Directors review the key risks regularly and consider the options available to the Group to mitigate these risks to ensure the ongoing viability of the Group is sustained.

Viability and going concern statements *continued*

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

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

Scenarios	Links to principal risks
Scenario 1: Weaker fund performance **Assumptions:** 50% reduction in co-investment cash returns and no carried interest (beyond that already recognised)	– Fund under-performance
Scenario 2: 25% reduction in fund sizes for funds not yet closed **Assumptions:** No further fundraising	– Fundraising challenges
Scenario 3: A combination of scenarios 1 and 2 above (this is seen as a worst-case scenario and highly unlikely)	– As above

Having reviewed the results of the stress tests, the Directors have concluded that the Group would have sufficient capital and liquid resources in each of the respective scenarios, taking appropriate controllable management actions where applicable, so that the Group's ongoing viability would be sustained.

Controllable management actions to relieve stresses on the Group's ability to operate during these scenarios include:

- changing the timing of, and/or reducing the size of, the Group's dividends;
- reducing of ceasing the share buyback programme;
- reducing variable compensation costs (which represent c. 40% of payroll costs); and
- utilisation and/or extension of debt facilities.

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

The Group undertakes reverse stress tests to identify circumstances under which the business model becomes unviable. The most plausible severe scenario to cause the business model to be unviable is a macro-economic shock which results in the write-down of the value of investments held by the funds.

This would impact the level of investment returns/result in losses for the Group but is unlikely to have an immediate impact on viability. If the impact is not temporary (unlike Covid-19, for example) and more permanent, this could impact the ability to exit fund investments and raise new funds, and therefore impact the Group beyond the period covered in this viability assessment.

The reverse stress test determines the level of reduction to forecast distributions from funds in order to trigger a business model failure point, in the absence of any management actions. Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote, as it requires forecast fund distributions to be reduced by 57%, whilst maintaining a broadly similar level of forecast investing activity during the same period, whereas a macroeconomic event is also likely to constrain investment activity more substantially.

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

ECP transaction

The ECP transaction is expected to complete in Q2 2024 after final regulatory approval. As part of their assessment of the viability and prospects of the Group, the Directors have considered:

- the cash consideration payable as part of the transaction, which will be settled from existing cash resources of the Group, and deferred cash payments which will be payable in future periods;
- the forecast future earnings of the ECP business, in consideration of fundraising and fund performance risk and the associated impact on future investment returns, with stress scenarios modelled in line with those set out above; and
- the perimeter balance sheet, including $225 million of US private placement debt which will transfer to the Group.

The Directors consider that the Group's prospects as a result of the transaction are enhanced as the transaction will be immediately accretive to earnings and positions the Group well for future growth and diversification.

Conclusion

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

Going concern statement

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

Assessment of going concern

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

- the Group's business and operating models and strategy;
- the Group's risk appetite and approach to managing risk; and
- a summary of the current financial position and resources of the Group, including the impact of the pending ECP transaction.

Business model

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

	Year ended 31 December 2023	Year ended 31 December 2022
Underlying FRE (£m)	**95.0**	74.3
Management and other fees as % of total operating income (%)	**82.5%**	78.6%
Underlying FRE margin (%)	**35.7%**	30.6%
Personnel expenses as % of total expenses (excluding exceptional costs and adjusted items) (%)	**73.6%**	75.3%

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

Liquidity and resources

As at 31 December 2023, the Group had a strong balance sheet with net cash of £239 million (2022: net cash of £296 million, including £100 million of term deposits with original maturities of over three months), no borrowings, the undrawn £250 million revolving credit facility and the undrawn £75 million acquisition bridge facility (upsized to £125 million subsequently to the year-end).

As announced recently, the Group recently priced $430.0 million of US private placement notes. The proceeds will be used to provide additional resources to deliver the Group's strategic growth plans and be used to refinance any amount of ECP debt which requires refinancing on the completion of the ECP change of control process.

The new notes will be structured in four tranches with maturities of 3, 5, 7 and 10 years and an average coupon of 6.17 per cent. The closing of the new notes is expected during Q2 2024, subject to the completion of the ECP transaction and customary conditions.

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

Stress testing

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

Conclusion

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 December 2023. After making their assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company and the Group on a going concern basis for at least 12 months from the date of the approval of the financial statements.

Risk management

1 Our approach and key developments in 2023

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

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

The Board is assisted in its risk management role by the Audit and Risk Committee, which monitors and reviews the Group's internal controls and risk management framework. More details of the Audit and Risk Committee are set out on pages 92 to 98. During 2023, the Audit and Risk Committee considered an updated risk management framework. It also reviewed a paper which explained the work undertaken to support the disclosures within the circular provided to shareholders in connection with the ECP transaction and discussed the integration of ECP into the enterprise risk management process.

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

- **First line**
  Business units have the primary responsibility for managing risks in their respective areas.
- **Second line**
  Bridgepoint's Legal and Compliance team assists with risk management, monitoring the operation of first line controls.
- **Third line**
  Deloitte, as the Group's outsourced internal auditor, provides risk assurance on the effectiveness of governance, risk management and internal controls, including first and second line controls.

Completing its first full year of engagement, the Group's internal audit function focused in particular on credit investment governance, data management and governance and a review of the Group's compliance monitoring programme. The results of their audits and any associated recommendations were reported to the Audit and Risk Committee.

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

2 Risk management process

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

1. **Set strategy** – The Board considers and approves the Group's strategy, which forms the basis of the Group's risk identification process and risk appetite, allowing those risks that may impact achievement of strategic objectives to be focused on.
2. **Identify risks** – Periodically an exercise is undertaken to identify and update the key and emerging risks facing the Group. This is performed by each relevant business unit and collated into a broader risk management framework which is ultimately reported on to the Board and the Audit and Risk Committee.
3. **Evaluate risks** – The Group evaluates risks based on two key factors: the likelihood of the risks eventuating, and the impact on the Group were the risks to eventuate (both financially and in respect of other matters such as reputation). The relevant risks are categorised and rated based on the product of these two factors and contextualised with a further evaluation of other factors such as speed to impact and whether the risk is trending in a particular direction.
4. **Manage and mitigate risks** – Mitigating actions, controls and monitors are identified for each risk, taking into account the effectiveness of the current control environment, and the impact of these on the likelihood and impact of the relevant risk are evaluated. Where appropriate, changes to the control environment or other mitigants are identified and implemented.
5. **Monitor and review risks** – The Group undertakes ongoing monitoring of risks identified and the ongoing effectiveness of mitigants implemented and reports on this exercise to the Board and the Audit and Risk Committee.

When identifying risks, the Group categorises these within one of the following three areas: strategic and external risks, investment risks, and operational risks.

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

3 Key risks

The Group's risk management framework is designed to identify a broad range of risks and uncertainties which it believes could adversely impact the stability and financial 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 actively considered.

The following pages set out the Group's key risks identified and the primary mitigating actions, controls or monitors implemented for each risk as well as the change in that risk during the course of 2023 compared to 2022.

The key risks are described based on the Group's combined assessment of the likelihood and impact of each risk eventuating after the Group's controls and mitigants, as well as the speed to impact of that risk.

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

Risk management *continued*

Fundraising challenges

Strategic and external

Change in risk during FY23 ↑

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 2023. If market conditions for competing investment products result in a greater number of competing products promoting similar or higher rates of return than those achieved by the Bridgepoint funds, the attractiveness of Bridgepoint funds to investors could decrease and Bridgepoint could experience reduced investor commitments.

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. In particular, the introduction of new products and strategies to Bridgepoint (through growth or acquisition) helps to broaden the investor base by investor type, geography and investment strategy.

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

Law and regulation

Strategic and external

Change in risk during FY23 ↑

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, the Autorité des Marchés Financiers in France and the Commission de Surveillance du Secteur Financier in Luxembourg. 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 the Group's operating entities, funds, and the markets and sectors in which the Group's investment strategies invest or from which capital is raised.

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 work with colleagues in other central functions and in local offices to monitor regulatory and legislative changes in the jurisdictions in which the Group operates and interact with regulators and industry bodies to stay informed of regulatory changes. They also proactively take actions across the business to comply with any changes in law or regulation.

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

Changes in macroeconomic environment

Strategic and external

Change in risk during FY23 ↑

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 allow 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.

Operating products in different asset classes can also help to mitigate the impact of macroeconomic change, for example higher interest rates may benefit the Group's private credit strategy.

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

Fund underperformance

Investment

Change in risk during FY23 ↔

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 private equity 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 and Portfolio Review 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 or receive other specialist attention.

Investment processes not only evaluate and mitigate the risks inherent in particular investments or divestments, but also ensure that all investment decisions are taken in accordance with the relevant fund's investment strategy.

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

The deal flow of Bridgepoint funds is driven by the Group's sector strategy which is continually refined to exploit market conditions, including changes in competitive pressures. The Group's investment approach has evolved through different economic cycles, helping it to resist temporary pressures.

The introduction of new products and strategies to Bridgepoint (through growth or acquisition) also helps to reduce dependence on performance of any individual fund.

Risk management *continued*

Decreased pace or size of investments made by Bridgepoint funds

Investment

Change in risk during FY23 ↔

Description
The Group's revenue is driven in part by the pace at which the Bridgepoint funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce the Group's revenue.

Many factors could cause a decline in the pace of investment, including the inability of the Group's investment professionals to identify attractive investment opportunities, decreased availability of capital on attractive terms and the failure to consummate identified investment opportunities because of business, regulatory or legal complexities, new regulations, guidance provided or other actions taken by regulatory authorities, or uncertainty and adverse developments in the global economy or financial markets.

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

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

Mitigation
The rate of investment is kept under review by senior management to ensure that it is maintained at an acceptable level.

The Group has ongoing dialogue with its investors and is sensitive to their concerns regarding investment and realisation pace. These concerns are taken into consideration when setting the short and long-term strategy of a fund, and where necessary consent is sought to modify investment periods to align with the pace of investment that is reasonably and responsibly achievable.

Personnel and key people

Operational

Change in risk during FY23 ↔

Description
The Group's personnel, including its investment professionals and specialist teams, are highly important to the Group's business and its strategy implementation, and the market for such persons is highly competitive. The Group's continued success is therefore dependent upon its ability to retain and motivate its personnel and to strategically recruit new talented professionals.

In particular, the Group depends on the efforts, skill, reputations and business contacts of its executive management and other key senior team members and the information and deal flow they generate.

Mitigation
The Group has competitive reward schemes in place for all employees, with rewards weighted towards performance and long-term alignment with fund investors, driving value for the Group. For senior management, these include a blend of short and long-term incentives.

The Group performs ongoing succession planning and invests in leadership development.

Information technology and cyber security

Operational

Change in risk during FY23 ↔

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. As an increasingly global business, the Group faces various cyber-security threats on a regular basis, including ongoing cyber-security threats to, and attacks on, information technology infrastructure that are intended to gain access to proprietary information, destroy data or disable or degrade or sabotage systems.

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

Mitigation

The Group has in place an internal vulnerability management programme, as well as critical asset processes to patch critical vulnerabilities. Phishing testing is performed at least quarterly, and penetration testing is undertaken annually.

The Group has a disaster recovery plan in place, and all key systems are hosted in the cloud, providing an inherent level of resilience.

Third-party service providers

Operational

Change in risk during FY23 ↔

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, professional advisory services, information technology, insurance broking, depository and alternative investment management services. The Group is subject to the risk of errors, failure, or regulatory non-compliance by such persons, which may be attributed to the Group and subject it or the Bridgepoint funds to reputational damage, business disruption, 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.

TCFD disclosures

We are committed to supporting the transition to a low carbon economy and journey to net zero in line with the Paris Agreement and reporting our progress transparently in line with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

Compliance statement

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

- Governance (all recommended disclosures);
- Strategy (all recommended disclosures);
- Risk management (all recommended disclosures); and
- Metrics and targets (recommended disclosures a) and b) only, with work ongoing to define an intermediate target and associated KPIs for disclosure c)).

In 2024 we plan to continue our progress in reporting against all four pillars of the recommendations.

Governance

a) Board oversight of climate-related risks and opportunities (See more on Governance on pages 86 to 90 and the ESG committee report on page 99)	The Board, assisted by the ESG Committee and the Audit and Risk Committee, is accountable for the Group's responsible investment strategy in which, climate-related risks and opportunities are factored. The Board is updated at every meeting by the chairs of the ESG and Audit and Risk Committee and will periodically have deeper discussions covering specific ESG related projects, performance and initiatives. The ESG Committee ensures that sustainability considerations, including climate concerns, are integrated into the Company's strategic and financial planning and monitors ESG performance across the Group and portfolio. Updates on ESG matters, including as relevant to climate change, are provided to the ESG and Audit and Risk Committees via management in addition to the regular updates provided by the Chief Executive in his Board briefing.
b) Management's role in assessing and managing climate-related risks and opportunities	Adam Jones (CFO) is the Board-level executive sponsor for sustainability matters, whilst our Chief Investment Officer (CIO), Xavier Robert, is responsible for sustainability matters at the Executive Committee level. The Executive Committee meets regularly and implements the Group's sustainability strategy, sets priorities, agrees sustainability targets and oversees responsible investment procedures and policies. Following the year-end, the Executive Committee has been replaced by the Group Management Committee and Group Operating Committee, that will take on the same role. The responsibility for identifying, assessing, and managing climate-related risks impacting Bridgepoint's operations on a day-to-day basis is led by the Sustainability team whose responsibilities include managing risks associated with the Company's investment activities. The Sustainability team, with support from the Legal and Compliance team and input from relevant business units, is responsible for developing a register of climate-related risks and opportunities as well as devising suitable mitigation strategies for any material risks identified. In addition, the Sustainability team provides support to the Board, its committees, and the Executive Committee (now the Group Management Committee and Group Operating Committee) in carrying out their responsibilities and assists in the development and implementation of the Group's sustainability strategy. The Sustainability team reports directly to the CIO and the ESG Committee while the Legal and Compliance team provides regular updates to the Audit and Risk Committee on risk-related matters.

Strategy

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

The climate-related risk for the Group is low.

In 2023 we conducted a climate scenario analysis covering 100% of our private equity portfolio and 58% of our private debt AUM focusing on our most recent funds and those with the greatest management influence. The analysis used three different climate scenarios, which are aligned to the Financial Conduct Authority's (FCA) ESG Sourcebook:

- 2°C orderly: aligned with Representative Concentration Pathway (RCP) 2.6 and assumes a temperature rise of <2°C by 2100
- 2°C disorderly: aligned with RCP 2.6 and assumes a temperature rise of <2°C by 2100, assuming that this is achieved through a period of inaction followed by more significant decarbonisation policies implemented from 2030 onwards
- 4°C "hot house": aligned with RCP 8.5 and assumes a temperature rise of c.4°C by 2100
- These scenarios have been assessed across three distinct timeframes:
- Short-term: 2025
- Medium-term: 2030
- Longer-term: 2050

To understand the potential transition risks and opportunities (policy and legal, technology and market) for Bridgepoint, the assessment used an integrated assessment model (IAM) scenario analysis tool, which comprises a computable general equilibrium (CGE) model, an energy transitions model, and an emissions projections model (namely, the Model for the Assessment of Greenhouse Gas Induced Climate Change, MAGICC).

Physical risk analysis leveraged climate modelling data from meteorological data specialists, the Cross Dependency Initiative (XDI) and to quantify potential exposure to physical risks, a "productivity loss" metric was applied that utilises damage curves similar to those used in the insurance industry. The productivity loss metric quantified the potential lost revenue due to operational disruption resulting from climate change.

The assessment concluded that, overall, our private equity and credit portfolio is exposed to relatively low climate risk and therefore, the earnings of portfolio companies are not modelled to be significantly impacted under 2°C and 4ºC degree scenarios (more detailed results can be found in the metrics and targets section). We are committed to repeating this exercise regularly, covering both the Group and portfolio companies as both develop and change.

We have used the Implied Temperature Rise (ITR) measure to help understand the key barriers to achieving Bridgepoint's net zero target. The ITR analysis pointed out that Bridgepoint's private equity and credit portfolios are currently marginally misaligned to 2°C or 1.5°C pathways, and indicated a need to accelerate the implementation of our climate programme which will help tackle portfolio emissions. (More detailed results on ITR is available in the metrics and targets section below).

The above assessment has been carried out for our existing portfolio. However, pre-investment ESG due diligence is perhaps the most important stage in our investment cycle for identifying climate related risks. For example, during the due diligence process for private equity, our investment teams, in collaboration with external sustainability advisers, identify material risks, including climate-related risks, and develop recommendations for suitable control measures. The due diligence process accounts for both physical and transitional climate-related risks, including but not limited to climate regulations mandating measurement and reduction of scope 1, 2 and 3 Greenhouse Gas (GHG) emissions, compliance obligations related to country-specific emission trading schemes, risk of flooding to key operational locations and associated impacts on supply chains.

TCFD disclosures *continued*

Strategy *continued*

Impact of climate-related risks and opportunities	The direct impact of climate-related risks on the Group's operations is considered to be limited. Therefore, while climate-related impacts are considered within our risk management system, they are not a principal risk. Based on the scenario analysis previously outlined, both physical and transition risks are likely to be limited for Bridgepoint's investment activities. This is largely driven by the geographic and sectoral composition of the companies in which Bridgepoint invests: – Both credit and private equity portfolios are primarily comprised of European businesses. These markets have typically set transition plans and clear NDC (Nationally Determined Contribution) targets and climate action is therefore already incorporated in the baseline 'BAU' scenario. As such, the difference in outcomes between a "hot house" and a 2°C scenario is slight. – From a sector standpoint, Bridgepoint has limited exposure to heavy industry. As a result, most investments have relatively limited barrier to change in relation to decarbonising their operations. In terms of transition risks, given the relatively low carbon intensity of the portfolio, the financial impact to the portfolio companies modelled is typically low and attributable to changes in revenues or costs of goods sold (as opposed to high carbon costs). Physical risk exposure is also modelled to be low in the medium-term on the earnings of companies in both the private equity and credit portfolios.
The resilience of the organisation and strategy	Taking into account the climate scenario analysis previously described, the risks identified and the processes we have established to manage them, we consider the Group to be reasonably resilient to the impact of climate change. Moreover, relevant disaster recovery policies are in place to ensure the safe and continued operation of our offices and IT infrastructure should a material climate change related event take place. As a result of incorporating ESG due diligence into our pre investment screening processes the risk associated with our portfolios is also limited. In aggregate portfolio risk is further reduced by diversification across geographies and sectors.

Risk management

Processes for identifying and assessing climate-related risks **(See more on risk management on pages 68 to 73)**	Identification of climate risks forms part of our overall approach to risk management. The Legal and Compliance team, which reports to the Audit and Risk Committee and the Executive Committee, periodically undertakes a process to identify the Group's key risk exposures, including climate-related risks. As risks are continually evolving, the Compliance and Sustainability teams regularly screen ESG regulatory matters that are material to Bridgepoint, including those related to climate risk and undertake horizon scanning to identify emerging risks. Any material issues identified will be escalated to the Executive Committee, Audit and Risk Committee and ESG Committee as appropriate. We consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention. As developed in the strategy section, in 2023 we have conducted a comprehensive climate-related risk mapping exercise to develop a more granular overview of our climate related risks. The results of this assessment will be integrated into the Company's central risk register to ensure climate-related risks continue to be considered in the Company's strategic and financial planning.

Processes for managing climate-related risks (See more on risk management on pages 68 to 73 and a list of relevant industry bodies and ESG integration into the investment process is included on pages 42 to 47)	At the Group level, sustainability and climate-related risks are included within the central risk management system. All enterprise risks are assigned an owner, to ensure oversight of the risk management process. Where specific technical or legal expertise is required, the Group is supported by our extensive network of sustainability and legal advisers, industry associations and working groups. Mitigation strategies, and control measures are identified for each risk, and an evaluation is undertaken of the current control environment. Whilst the direct environmental impact from Bridgepoint's own operations is considered to be limited, we are working on reducing our GHG footprint through the implementation of office emission reduction initiatives, supplemented by verified carbon credits. Across our investment strategies, we consider active engagement an essential component of Bridgepoint's approach to sustainability risk management. Throughout the investment period, we support and collaborate with portfolio companies' management teams to implement best-practice sustainability processes, policies and risk management systems. Within our private equity portfolio, we work with portfolio company management teams to ensure appropriate ESG governance is in place at both Board and executive team level. Furthermore, the team ensures portfolio companies establish appropriate sustainability and carbon reduction initiatives and uses specific sustainability KPIs to monitor the companies' progress. We also leverage our network of sustainability advisers to help portfolio companies to identify and manage material sustainability related risks. In 2023, we enhanced the management of climate related risks through the implementation of our climate programme. The programme enhances risk management through ensuring proper GHG accountability and science-based target setting. Within our credit strategy, where possible, Bridgepoint provides portfolio companies with financial incentives and penalties in the form of ESG margin ratchets. The margin ratchets include specified sustainability targets relevant to the business. Thereby, management of sustainability-related risks remains a focal point throughout our investment period.
Integration of climate-related risks into overall risk management (See more on risk management on pages 68 to 73)	Climate-related risks are integrated into the Group's risk management framework, which is further detailed on pages 68 to 73. A similar risk management process is in place for our investment portfolio, monitored and managed by the Sustainability and Investment teams with oversight from the ESG Committee. Any material climate risks identified over the course of pre investment due diligence are reviewed by the relevant investment committees, with our Investment teams supporting portfolio companies during investment to develop sustainability roadmaps, monitor KPIs and report on progress. To encourage detailed disclosure on sustainability matters, all portfolio companies are required to provide at least annually a comprehensive account of their sustainability performance, including with respect to management of climate-related risks. The climate programme described in the previous section, supports portfolio companies in gaining a more granular understanding of their GHG footprint and in developing credible emission reduction plans which provide a degree of risk mitigation. Where the climate programme at a portfolio company is in the early stages of implementation, we have estimated the financed emissions of our private equity and credit portfolio using PCAF methodology. Please see our disclosure under metrics and targets.

TCFD disclosures *continued*

Metrics and targets

Metrics used to assess climate-related risks and opportunities

Bridgepoint has been monitoring the Group's scope 1, 2 and 3 emissions since 2019. We have disclosed the GHG emissions related to our investment portfolio since 2022, calculating this in line with the GHG Accounting & Reporting Standard for the Financial Industry, developed by PCAF.

To help enable portfolio companies to calculate their GHG footprint, in 2023 we launched a centralised Climate Programme. The programme helps portfolio companies both in the calculation and verification of GHG emissions and also the development of tailored GHG emission reduction plans. We believe that this programme will make a material difference in the robustness of the reporting of our financed scope 3 emissions.

Alongside GHG emissions, we track a broad range of sustainability and climate-related metrics across our private equity and credit investment activities.

In private equity portfolio companies, annual KPIs include energy consumption, adoption of climate-related policies and the implementation of appropriate governance and risk structures, as well as other company specific KPIs (e.g. water consumption, hazardous and non-hazardous waste production, biodiversity and life-cycle assessment) that are monitored throughout the investment period to ensure alignment to Bridgepoint's sustainability standards.

In our private credit business, we have established an annual portfolio company scoring system, which enables us to assess sustainability performance against over 30 KPIs, including environmental metrics such as consumption of renewable energy and GHG emissions reduction.

In terms of specific metrics used to assess climate related risks, we have also used both CVaR (Climate Value-at-Risk) and ITR. Detailed below.

CVaR is a forward-looking metric used to measure the climate-related risks and opportunities within an investment portfolio.

- In the medium-term (2030), the climate transition is modelled to have a low negative impact on the earnings of the private equity portfolio of -0.2% and -0.1% under the 2°C disorderly and orderly scenario respectively, when compared to a business as usual (BAU) "hot-house" scenario. Similar to private equity, the credit portfolio is modelled to have earnings 0.6% lower and 1% lower in 2030 under the orderly and disorderly scenario respectively relative to the BAU scenario.
- In the longer-term (2050), earnings for the private equity portfolio are modelled to be 1% higher under the 2°C scenarios compared to the BAU scenario. The credit portfolio is modelled to continue to experience a reduction in potential earnings (compared to BAU) of 0.3% and 0.5% for the orderly and disorderly scenarios respectively.

ITR is a forward-looking metric that translates the output of longer-term scenario analysis into an estimated change in temperature, expressed as a numeric degree rating.

- For private equity, in the short and medium-term, the portfolio is projected to be marginally misaligned to a 2°C scenario.
- For private debt, the portfolio is projected to be marginally misaligned to a 2°C carbon scenario.

Bridgepoint Group emissions and financed emissions

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

The calculation includes:

Scope 1 emissions, which include an estimation of emissions from cooling systems within the offices Bridgepoint occupies as well as mobile and stationary combustion.

Scope 2 emissions, which include purchased electricity as well as heat procured for our offices. They have been calculated using the location-based approach as well as the market-based approach to illustrate our efforts to procure renewable electricity since 2020.

Scope 3 emissions, which include:

- Category 1 (purchased goods and services) based on a combination of the average-data and spend-based methodologies. In previous years the calculation had primarily included spend related to IT equipment, but in 2023 this has been extended to other categories such as advisory fees, catering services etc.
- Category 3 (fuel and energy) derived from the energy use in 2023.
- Category 6 (business travel) based on expenditure and distance travelled for air travel, rail travel, taxis, and rental cars, and on the number of nights stayed or expenditure on hotels.
- Category 7 (commuting) based on mode of transport, distance travelled and number of days to the office collected through a survey conducted during 2023.
- Category 15 (investments) based on calculations in line with PCAF methodology. These are shown separately in the following section.
- Categories 2, 4, 8, 10, 11, 12,13,14 are either not relevant or not significant and have not been calculated.

Below are the Group's emissions (tCO_2e):

Reporting year	2023			2022		
Emissions Scope	UK	Rest Of World	Total	UK	Rest Of World	Total
Total energy consumption (kWh)	**434,361**	**855,391**	**1,289,752**	584,954	861,498	1,446,452
Total energy from renewable sources (kWh)	**267,193**	**409,426**	**676,619**	196,885	387,009	583,894
% of energy from renewable sources	**62%**	**48%**	**52%**	34%	45%	40%
Scope 1 (tCO_2e)	**12**	**18**	**30**	62	35	97
Scope 2 – location-based (tCO_2e)	**82**	**175**	**258**	104	165	269
Scope 2 – market-based (tCO_2e)	**30**	**97**	**127**	66	95	162
Total Scope 1+2 – location-based (tCO_2e)	**94**	**193**	**288**	166	200	366
Total Scope 1+2 – market-based (tCO_2e)	**42**	**115**	**157**	128	131	258
Emissions intensity for Scope 1+2 – locations- based (tCO_2e/FTE)	**0,41**	**1,26**	**0,75**	0,76	1,38	1,01
Emissions intensity for Scope 1+2 – market-based (tCO_2e/FTE)	**0,18**	**0,75**	**0,41**	0,59	0,90	0,71
Scope 3 emissions (tCO_2e)	**N/A**	**N/A**	**4,415**	N/A	N/A	1,713

TCFD disclosures *continued*

Metrics and targets *continued*

Bridgepoint Group emissions and financed emissions *continued*

Estimated emissions from financing activities.

We have estimated portfolio company emissions for our private equity portfolio and our selected credit funds (covering 58% of private debt AUM) using the PCAF methodology. For credit in 2022, BCO IV and BDL III were included and in 2023, we have extended the scope to include BDL II and a number of SMAs. We also calculated the weighted average carbon intensity (WACI), measuring tonnes of CO_2e produced per million dollars of revenue.

	2023		2022	
Strategy	Total emissions (tCO_2e)	WACI (tCO_2e/M$) (Scope 1, 2 and 3)	Total emissions (tCO_2e)	WACI (tCO_2e/M$) (Scope 1, 2 and 3)
Private Equity	**1,630,824**	**464**	892,638	191
Private Credit	**340,488**	**190**	114,612	161

Comparisons with the previous reporting year

Our Scope 1 emissions represent 30 tCO_2e in 2023 compared to 97 tCO_2e in 2022. Whilst we have continued to use the same externally managed service for calculating emissions, our approach continues to be refined and improved and it was determined that the previous year's figures associated with cooling were overestimated.

Scope 2 location and market-based emissions decreased by 4% and 21% respectively vs 2022. This was driven by moving the London office to a new, BREEAM certified, more energy efficient building.

Scope 3 emissions represent 4,415 tCO_2e compared to 1,713 tCO_2e in 2022. This is the result of enhancing our approach to reporting, including the addition of new categories such as commuting and energy related activities and extending the scope of other categories such as purchased goods and services. Our scope 3 emissions remained primarily the result of business air travel which accounted for 67% of scope 3 emissions, whilst 26% was the result of purchased goods and services.

For financed emissions (category 15), the GHG emissions account for 1,630,824 tCO_2e in 2023 for private equity relative to 892,638 tCO_2e in 2022. This change is the result of improving the PCAF data quality used in the calculation: in 2022, 100% of the financed emissions were estimated using sector and region-based emissions factors (PCAF data quality score 4). In 2023, we have incorporated company reported GHG emissions, following the GHG protocol standard for 12 companies, which represents approximately 25% of private equity AUM (PCAF data quality score 2). For private credit, GHG emissions accounted for 340,488 tCO_2e in 2023 vs 114,612 tCO_2e in 2022 as the result of the inclusion of additional funds in the calculation and the use of reported scope 1 and 2 emissions for 31 credit portfolio companies. In 2024 and beyond we aim to increase the use of reported emissions and calculate our financed emissions with data quality score 1 and 2 to continue improving the accuracy of the portfolio data we disclose.

Targets, performance, and key priorities

At a Group level we aim to achieve the following:

Procure 100% of the Group's office electricity from renewable sources, either through 'green' electricity tariffs or through the purchase of energy attribute certificates. We are pleased to report that we have satisfied this target since 2020.

Offset our residual emissions by purchasing carbon credits in certified nature-based investment schemes which are in line with the "beyond value chain mitigation" recommendations from the Science-Based Targets initiative as part of their Net-Zero standard.

Reduce our emissions through initiatives such as our UK employees benefiting from electric vehicle lease and cycle to work schemes as part of their benefits package, and moving the London office to building BREEAM rated 'Excellent'.

At portfolio level, we have set a long-term ambitious target of achieving net zero emissions in our portfolio by 2040.

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

Further demonstrating our drive to invest responsibly, we have committed to aligning all our new private equity and private debt funds to Article 8 of the SFDR. BE VII, BDC V and BG II are aligned to Article 8 and have dedicated climate objectives. Within the credit business, BDL III, BDL IV and BCO IV are also aligned to Article 8.

Non-financial and sustainability information statement

The Group complies with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Details of our business model are included on pages 24 to 31 and our principal risks and how we manage those risks are included on pages 68 to 73.

Employee matters

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

Employee diversity

As at 31 December 2023, the Group had 391 permanent employees. Of those that provided data, 212 were male, and 177 were female. There are efforts to increase the pipeline of future female leaders at the firm, such as a 50:50 International Associate Programme target split of men and women, and a targeted increase in the number of women in the investment team to 30% by 2025.

For more information on DEIB see the People section on pages 32 to 35.

Human rights

We are committed to preventing any form of slavery and human trafficking. We seek to ensure there are no such practices in our business and supply chain. Periodically, Bridgepoint reinforces policies against modern slavery and human trafficking through firm-wide training.

Our latest statement on modern slavery can be found on the Company's website.

Whistleblowing

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

Anti-bribery and corruption

We are committed to ethical business practices across all our operations and investments. Our policy is never to offer, request or receive bribes, and to refuse any request to pay them. We report any instances of bribery or corruption we discover to relevant regulators and authorities as appropriate. Our investment approach includes a detailed review of bribery and corruption matters to ensure we do not invest in companies or projects that engage in corruption or appear to have a high risk of such behaviour. We investigate and deal with all reported or identified cases of corruption in line with our policy, which applies to all entities within the Group wherever we do business.

Environmental matters

The Group's disclosures in accordance with the Streamlined Energy and Carbon Reporting requirements are set within the TCFD section out on pages 74 to 80.

Board of Directors

William Jackson

Chairman

N

Appointment
Appointed Managing Partner in 2003 and Chairman in June 2021

Skills and experience
William has worked extensively on private equity transactions across Europe over a 30-year career and has served on numerous boards.

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

Other significant appointments
- Non-Executive Director, The Berkeley Group Holdings plc

Raoul Hughes

Chief Executive

Appointment
Appointed Vice Chair in 2016 and Chief Executive in October 2023

Skills and experience
Raoul joined Bridgepoint in 1988 and has over 30 years of experience within the alternative assets market and has been extensively involved in private equity investments across Europe. Raoul is Chair of Bridgepoint's Group Management Committee and Group Operating Committee.

Raoul has a degree in Business Administration from the University of Bath where he also supports a number of PhD programmes.

Key

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

Archie Norman

Senior Independent Director

A N R

Appointment
Appointed in June 2021

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

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

Other significant appointments
– Chairman, Marks and Spencer plc

Adam Jones

Chief Financial Officer and Chief Operating Officer

Appointment
Joined the Group in 2018 and appointed in June 2021

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

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

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

Board of Directors *continued*

Angeles Garcia-Poveda

Independent Non-Executive Director

N R E

Appointment

Appointed in June 2021

Skills and experience

Angeles is an international executive with extensive experience in governance.

Angeles is an international executive with extensive experience in governance. She is currently Chairperson of the Board of Legrand SA, the CAC 40 global specialist in electrical and digital building infrastructure, where she has been lead independent director and chaired the Nominations, Governance and Remuneration committees. She is an independent director at Edenred, listed in the French CAC 40 index, and sits on the Board of Directors of Puig and the French Institute for Sustainable Finance. She also spent 14 years with the Boston Consulting Group, where she worked as a consultant in Madrid and Paris prior to another 15 years with Spencer Stuart where she was part of the global Management Team and served as a Director.

Other significant appointments

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

Carolyn McCall DBE

Independent Non-Executive Director

A N E

Appointment

Appointed in July 2021

Skills and experience

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

She is currently Chief Executive of ITV plc, having been Chief Executive of easyJet for nearly eight years. She has also held various commercial and management roles at the Guardian Media Group, including CEO of the Guardian and Observer before becoming Group CEO in 2006. She has served on the Boards of a number of publicly listed global companies, including New Look, Tesco, Lloyds Bank Group and Burberry, where she was the SID.

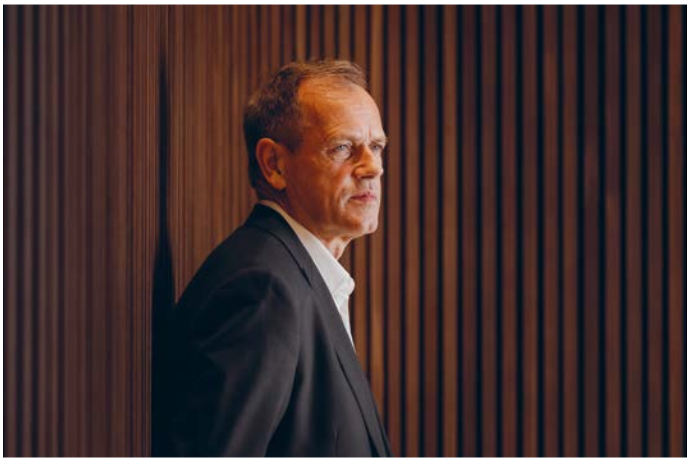
She has also served as a Director of the Department of Business, Energy and Industrial Strategy and has been a Trustee of the Royal Academy of Arts for 8 years.

Other significant appointments

- Chief Executive, ITV plc

Key

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



Tim Score

Independent Non-Executive Director

A N

Appointment
Appointed in June 2021

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

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

Other significant appointments
- Chairman, The British Land Company plc
- Non-Executive Director, Pearson plc

Cyrus Taraporevala

Independent Non-Executive Director

A N R

Appointment
Appointed in January 2023

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

He is currently a Non-Executive Director of Shell plc and previously he was President and Chief Executive Officer of State Street Global Advisors from 2017 to 2022. Prior to joining State Street, Cyrus held numerous leadership roles in asset management including at Fidelity, BNY Mellon, Legg Mason and Citigroup. Earlier in his career, Cyrus was a partner at McKinsey & Company, based in New York and Copenhagen.

Cyrus was a founding member of the New York Exchange Board Advisory Council, which proactively addresses the critical need for inclusive leadership on corporate boards by connecting diverse candidates with companies seeking new directors. He serves as a Board member of two non-profits: the Trustees of Reservations, a Massachusetts-based conservation organisation, and GBH, a public media producer, distributor, broadcaster and content creator.

Other significant appointments
- Non-Executive Director, Shell plc

Senior Independent Director's governance review

→
Archie Norman
Senior Independent Director

On behalf of the Board, I am pleased to present the Group's governance report for 2023.

In 2023 the Board conducted a series of in-depth reviews of business strategy and performance. A key area of focus was delivery of the plan to extend into new asset classes and in particular the ECP transaction, which will add infrastructure investing to the Bridgepoint platform and will drive a material increase in AUM. This represents the first step in the delivery of the strategy announced at the time of the IPO in 2021.

In addition, the Board discussed the financing arrangements for the Group and detailed updates on the Private Equity and Credit businesses. The Board seeks to engage with colleagues across the Group, and one of the Board meetings was held in Bridgepoint's Frankfurt office, where a presentation on DACH operations and strategy was given.

Board composition

On 1 October 2023 the roles of Chair and Chief Executive were split, with Raoul Hughes becoming Chief Executive and joining the Board, and William Jackson continuing as Chairman. Following announcement of the ECP transaction, the Board concluded that it was timely to evolve the governance of the Group, reflecting the increased scale of the business. No Non-Executive Directors were appointed during 2023, although efforts to identify candidates that would naturally add to the Board's expertise and breadth of thinking are continuing. It is expected that at least one additional Non-Executive Director will be appointed during 2024. In making this appointment, the focus remains on ensuring that the relevant candidate contributes to the overall diversity of viewpoints within the Board, as well as the mix of skills and knowledge. Further details are contained in the Nomination Committee report.

Stakeholder engagement

A full review of stakeholder engagement can be found in the Strategic Report on pages 36 to 41.

Corporate Governance Code compliance

The governance report explains the key features of the Group's governance framework. The Board remains committed to maintaining high standards of corporate governance, and the Group complies with substantially all of the provisions of the Corporate Governance Code. Further details are set out on page 90.

Board evaluation

In accordance with the Corporate Governance Code, the 2023 Board evaluation was externally facilitated. The Board evaluation concluded that the Board and its committees were operating effectively and a number of opportunities to enhance operations were identified. Further details are contained in the Nomination Committee report.

Annual General Meeting

The Company's AGM will take place on Wednesday, 15 May 2024 and the notice of meeting and related explanatory notes will be distributed to shareholders in due course.

Archie Norman
Senior Independent Director

→ Find out more: bridgepoint.eu

Corporate governance report

1. Our governance framework

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

Board	Responsible for providing leadership, including setting the Group's purpose, strategy and values, and promoting its long-term sustainable success.	A full schedule of matters reserved for the Board is available at bridgepoint.eu
Committees	The Board has established the following committees to assist it.	The terms of reference for the Audit and Risk, Remuneration, Nomination and ESG Committees are available at → bridgepoint.eu
	Audit and Risk Committee The Audit and Risk Committee oversees external and internal audits, and the Group's financial reporting and disclosure. It also oversees the Group's risk management framework and system of internal controls.	**Remuneration Committee** The Remuneration Committee determines the policy for Director remuneration and sets the remuneration of Executive Directors and senior management.
	Nomination Committee The Nomination Committee evaluates the composition and performance of the Board and senior executive team. It ensures that plans are in place for orderly succession for appointments to the Board and senior management, and considers candidates for Board positions.	**ESG Committee** The ESG Committee assists the Board in its oversight of environmental, social and governance matters.
	Disclosure Committee The Disclosure Committee evaluates the need for announcements to the market and signs off and approves the release of RNS announcements relating to financial results or other material information. The Disclosure Committee comprises Raoul Hughes, William Jackson, Adam Jones and Archie Norman.	
Chief Executive, Group Management Committee & Group Operating Committee	The Board delegates day-to-day responsibility for running the Group to the Chief Executive. The Chief Executive is assisted in this by the Group Management Committee, which oversees implementation of the overall strategy of the Group as determined by the Board, and the Group Operating Committee, which manages day-to-day operations and the Group's professional services. Prior to 1 January 2024, the Chief Executive was assisted in these responsibilities by the Executive Committee which was replaced by the Group Management Committee and the Group Operating Committee described above.	

Corporate governance report *continued*

2. Board roles and responsibilities

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

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

Chairman	– Leads the Board and is responsible for the overall effectiveness of the Board and its committees – Sets the Board's agenda, approving strategy, monitoring financial and operational performance – Ensures good governance – Promotes a culture of openness and debate on the Board, facilitating effective contribution from Non-Executive Directors – Ensures the Board as a whole has a clear understanding of the views of the Company's shareholders
Chief Executive	– Runs the Group on a day-to-day basis and implements the Board's decisions – Develops strategies for consideration by the Board, alongside the Group Chief Financial Officer and executive management – Leads the Group Management Committee and Group Operating Committee – Along with the Group Chief Financial Officer, represents the Group to external stakeholders
Group Chief Financial Officer and Chief Operating Officer	– Provides strategic financial leadership to the Group and runs the finance function on a day-to-day basis – Manages the operating platform of the Group – Develops strategies for consideration by the Board, alongside the Chief Executive and executive management – In conjunction with the Chief Executive, represents the Group to external stakeholders – Leads the development of annual budgets for Board approval

Board roles and responsibilities *continued*

Senior Independent Director	– Acts as a sounding board for the Chairman – Is available to shareholders if they have concerns about contact with the Chairman, Chief Executive or Group Chief Financial Officer through normal channels, or if such contact has failed to resolve the relevant issues – Leads meetings of the Non-Executive Directors at least annually to appraise the Chairman's performance
Non-Executive Directors	– Bring special expertise to the Board – Constructively challenge and hold to account the Executive Directors against agreed performance objectives – Monitor the delivery of the strategy within the risk and control framework set by the Board – Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management systems
Company Secretary	– Responsible for advising, in conjunction with the Group General Counsel, on legal, governance and listing matters at the Board level and assisting the Board in all governance-related matters – Provides support to the Board and its committees, ensuring that it has the resources required to operate effectively – Maintains the books and records of the Group, and prepares minutes of Board meetings

3. Board activities

During 2023, the Board met eight times and among other areas discussed:

- the ECP transaction, including integration topics;
- updates on the performance of each of the Group's strategies and funds, as well as the fundraising process for funds currently in the market;
- entry into a new revolving credit facility;
- engagement with the Company's shareholders;
- Bridgepoint's DACH strategy and operations;
- the implications of generative AI;
- the establishment of the share buyback programmes;
- financial reporting matters and approval of the Group's 2022 Annual Report and 2023 interim results;
- the 2024 budget, and progress against the 2023 budget;
- shareholder and proxy adviser feedback; and
- legal and governance updates.

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

Corporate governance report *continued*

The attendance at Board and Committee meetings in 2023 is set out below, along with the number of meetings attended by individual Directors, and the total meetings that they were entitled to attend.

Name	Board	Audit and Risk	Remuneration	Nomination	ESG
William Jackson	7/7	–	–	4/4	–
Raoul Hughes	1/1*	–	–	–	–
Adam Jones	7/7	–	–	–	–
Angeles Garcia-Poveda	7/7	–	6/6	4/4	2/2
Archie Norman	7/7	5/6	5/6	4/4	–
Cyrus Taraporevala	7/7	6/6	6/6	–	–
Dame Carolyn McCall	7/7	6/6	–	4/4	2/2
Tim Score	7/7	6/6	–	4/4	–

* Raoul joined the Board on 1 October 2023.

4. Culture

The Group's core values of 'We do what we say', 'We do the right thing' and 'We act with intelligence and humility' underpin a strong, professional and inclusive culture. The Board had a number of opportunities to monitor and review the Group's culture throughout the year including holding Board meetings in several Bridgepoint offices around the network, the employee engagement survey and ad hoc meetings between colleagues and Directors. The Board recognises the contribution of Bridgepoint's unique culture to the success of the business and is satisfied that it is aligned with the Company's purpose, values and strategy. No specific corrective action was requested of management during the year.

5. Conflicts of interest

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

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

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

6. Compliance with the Corporate Governance Code

The Company is subject to the 2018 Corporate Governance Code for the year ended 31 December 2023, which is publicly available at www.frc.org.uk. The Company has, during 2023, applied the principles of, and complied with the provisions of, the Corporate Governance Code, subject to one exception.

Provision 9 of the Corporate Governance Code recommends that, on appointment, the Chair of a company should be independent when assessed against the circumstances set out in provision 10, and that the roles of the Chair and Chief Executive should not be exercised by the same individual. In October 2023, Raoul Hughes became Chief Executive with William Jackson continuing as Chairman. William was not independent on appointment. The Nomination Committee determined that William continuing as the Group's Chairman would be in the best interests of the Group. William has been engaged with the Group since 2000 and has been Managing Partner since 2003, and therefore provides stability and continuity through his detailed understanding of the Group's operations and the sectors in which it operates.

Nomination Committee report

→
Archie Norman
Chair of the Nomination Committee

During 2023, the Nomination Committee oversaw the Chief Executive succession and appointment of Raoul Hughes as Chief Executive. There has also been a focus on planning longer-term succession, both to the Board and leadership team. The Committee continued the search for further Non-Executive Directors with complementary skills and experience.

Board composition and appointments

On 1 January 2023, Cyrus Taraporevala was appointed as an independent Non-Executive Director following an extensive process overseen by the Nomination Committee. Cyrus' significant experience in the asset management sector has been an asset for the Board, and Cyrus has contributed substantially to the Audit and Risk Committee and Remuneration Committee. In December, Cyrus was appointed as a member of the Nomination Committee.

Although Cyrus' appointment resulted in the Parker Review target being satisfied through 2023, there are only two women on the Board out of eight Directors. The Committee is in active discussions to bring on board a further female Director. During 2024 it is intended that there will be at least one further Non-Executive Director appointment, with a focus on further complementing the calibre, breadth of expertise and diversity of thinking amongst Board members.

In September, the Company announced a separation of the Chair and Chief Executive roles with effect from 1 October, with Raoul Hughes becoming Chief Executive and joining the Board, and William Jackson remaining in the Chair role and focusing his continuing role in the core PE business. Raoul was an architect of both the EQT Credit acquisition and the ECP transaction, and was central to the establishment of the Group's North American business. Having worked at Bridgepoint for over 30 years, he has a deep understanding of Bridgepoint and its culture and values. The Committee believes that continuity and retaining deep investment expertise is critical to the success of the existing business. The announcement of the ECP transaction was a natural time to evolve the governance of the Group, while enabling the business to continue to benefit from William and Raoul's expertise.

Succession planning

The separation of the Chair and Chief Executive roles was an important evolution in Bridgepoint's governance, increasing the executive expertise on the Board. During the year the Committee reviewed and discussed long-term succession planning for executives and other members of senior management, as well as the influx of talent that will follow the ECP acquisition.

Board evaluation

In 2023 The Effective Board LLP facilitated the evaluation of the Board and each of its committees. The Effective Board LLP has no connection to the Group or individual Directors.

The Board evaluation concluded that the Board and its committees were operating effectively, but a number of opportunities to enhance operations were identified, including:

- holding a longer Board-level strategy day during 2024 to review and refine the Group's strategy following the ECP transaction;
- continued scheduling of deep-dive presentations from business units to the Board; and
- the development of a dashboard of key KPIs to help the Board to quickly understand the performance of the Group.

Senior management and direct reports

As at 31 December 2023, of the 12 members of the Executive Committee, one was a woman, and of the 56 direct reports to members of the Executive Committee, 13 were women. There is a continuing focus on improving female representation in senior levels of the business, including through initiatives such as a women's leadership development programme.

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

Archie Norman
Chair of the Nomination Committee

→ Find out more: bridgepoint.eu

Audit and Risk Committee report

→
Tim Score
Chair of the Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities relating to financial reporting and the internal controls and risk management of the business. I am pleased to present the report of the Committee for the year ended 31 December 2023. This report outlines how the Committee discharged the responsibilities delegated to it by the Board during the year, and the key topics it considered in doing so.

The principal responsibilities of the Committee can be summarised as:

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

Details on activities undertaken by the Committee in relation to each of these areas are contained in the Committee report on the following pages. The primary areas of focus during the year included:

- Reviewing the content and integrity of the full-year and half-year financial reporting and the Annual Report.
- Receiving updates from the internal auditor and management in respect of internal controls, including, cyber security risk, data management and governance, ESG and private equity and credit investment governance.
- Reviewing the work undertaken to support the disclosures in relation to the ECP transaction within the shareholder circular for the transaction, and also the work being undertaken in relation to the integration of ECP with the Group.

Lastly, I wish to thank my fellow members of the Committee for their contributions during the year and I look forward to continuing our work in 2024.

Tim Score
Chair of the Audit and Risk Committee

→ Find out more: bridgepoint.eu

Committee governance

Meetings

The Committee meets regularly, at least three times a year. In carrying out its duties, the Committee is authorised by the Board to obtain any information it needs from any Director or employee of the Group. The Committee met six times during 2023 and has met twice since the end of the year prior to the publication of the Annual Report.

Composition

The Committee possesses a good balance of skills and knowledge, including financial sector experience. In 2023, the Audit and Risk Committee comprised four independent Non-Executive Directors, all of whom have financial or related business experience due to the senior positions they hold or have held in other listed or publicly traded companies or similar large organisations.

The Chair of the Committee, Tim Score, is the Group's designated financial expert, having recent and relevant financial experience as former Audit Committee Chair for the British Land Company plc, and being an Associate Chartered Accountant. The qualifications and relevant experience of the other Committee members are detailed on pages 82 to 85.

The Group CFO is not a member of the Committee but attends meetings at the invitation of the Chair of the Committee. Mazars LLP, as external auditor, and members of the Group's Finance team also regularly attend meetings. Deloitte, who are the internal auditors, are also invited to attend each meeting.

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

Terms of reference

The Committee has formal terms of reference which can be accessed on our website at bridgepoint.eu.

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

Effectiveness

The operations of the Audit and Risk Committee were reviewed as part of the externally facilitated Board evaluation undertaken in 2023. The Committee was found to be operating effectively, and more details on the Board effectiveness review more generally can be found on page 91.

Audit and Risk Committee report *continued*

Areas of focus in relation to financial reporting

Areas of focus considered by the Committee in relation to financial reporting for the year ended 31 December 2023, and the actions in respect of these matters, are set out in the following table:

Matter	Work undertaken
Alternative performance measures The Group uses a number of alternative performance measures, including, but not limited to: – EBITDA; – Underlying EBITDA; – Underlying EBITDA margin; – PRE; – Underlying FRE; – Underlying FRE margin; – Underlying profit before tax; and – Underlying profit before tax margin. A full list can be found on pages 50 to 53.	The Committee discussed the alternative performance measures with the Executive Directors, considering their appropriateness. The Committee was satisfied that the alternative performance measures selected provide useful information to stakeholders, and do not detract from the IFRS measures.
Exceptional items The Group's income statement includes exceptional items which are separately disclosed. The identification of exceptional items involves judgement.	The Committee reviewed the items selected by management for treatment as exceptional items in the financial statements, which for the year ended 31 December 2023 principally related to the acquisitions EQT Credit and ECP, and costs incurred in relation to other potential acquisitions. The Committee was satisfied that the treatment was appropriate and in line with the Group's accounting policies.
Consolidation The Group holds investments in a number of funds, carried interest partnerships and CLOs which it manages. Judgement is required to be exercised in terms of assessing whether these investments are controlled by the Group and therefore need to be consolidated into the Group's financial statements.	The Committee reviewed management's assessment of investments that the Group is deemed to control in accordance with IFRS 10 "Consolidated Financial Statements", and their treatment within the financial statements, which for the year ended 31 December 2023 included consideration of the treatment of CLO 5 and 6. The Committee concluded that it was satisfied with management's assessment.
Revenue recognition Revenue recognition for the Group's management fees is not complex. The recognition of carried interest and investment income revenue is more complex, and involves estimates and judgement.	The Committee reviewed the recognition of management fees, carried interest and investment income. In particular, during the year the Committee reconsidered the methodology applied for the recognition of carried interest income, including the discounts applied to the fair value of unrealised investments and how it was applied to funds depending upon the stage and maturity profile of each fund. The Committee concluded it was satisfied that revenue had been properly recognised in the financial statements.

Matter	Work undertaken
Investment valuation The Group's co-investments represent a significant portion of the consolidated balance sheet. As these are mainly unquoted and illiquid, considerable professional judgement is required in determining their valuation.	The Committee reviewed the methodologies used to value the Group's investments in private equity and credit funds, the process and governance over the valuations and the outcome of that process as at 31 December 2023. Specifically, during 2023, the Committee: – reviewed how multiples are selected for application in the valuation of private equity investments and the more significant changes during the year (increases and decreases); – reviewed changes to the disclosures of estimates used in investment valuation within the financial statements; – understood how ESG factors are considered in portfolio company valuations; and – reviewed the inputs used within the discounted cash flow model in respect of the CLO notes. Having challenged the approach to valuation taken by management, the Committee was satisfied with the approach taken as at 31 December 2023 and the disclosures made within the financial statements.
Effective tax rate The Group is subject to normal full tax rates in the jurisdictions in which it operates. However, its current effective tax rate is lower than the UK statutory tax rate. This is because of timing differences in when the Group's income is taxed and the Group has significant tax losses carried forward in the UK. Taken together these are key drivers in the difference in the rate.	The Committee reviewed the way in which the tax charge for the year had been determined, including the recognition and utilisation of tax losses carried forward and the reconciliation of the effective tax rate to the UK statutory rate. The Committee also understood how the acquisition of ECP will impact the effective tax rate of the Group going forwards. The Committee concluded that it was satisfied with management's approach to the calculation of tax.
Disclosures relating to the acquisition of ECP Material subsequent events such as an acquisition are required to be disclosed within the financial statements, including the impact on the balance sheet, which includes the fair valuation of identifiable assets and assumed liabilities at the acquisition date along with any goodwill and intangible assets.	The Committee reviewed disclosures included within the financial statements relating to the pending ECP transaction. The Committee understood how the prospective opening balance sheet will be derived, including the fair value of acquired assets and liabilities assumed and the recognition of assets and liabilities that have not been previously reported in the acquiree's financial statements, such as intangible assets. The Committee reviewed the proposed disclosure which is now included in the financial statements.

Audit and Risk Committee report *continued*

Matter	Work undertaken
Viability statement and going concern The appropriateness of preparing the Group financial statements on a going concern basis, and whether the assessment undertaken by management regarding the Group's long-term viability appropriately reflects the prospects of the Group and covers an appropriate period of time.	The Committee considered whether management's viability statement assessment adequately reflected the Group's key risks as disclosed on pages 70 to 73, whether the period covered by the statement was reasonable given the strategy of the Group, the risk scenarios selected by management and the environment in which the Group operates, along with the impact of the ECP transaction. As a result of the assessment undertaken, the Committee was satisfied with the approach taken for the viability assessment and that the going concern basis of preparation is appropriate.
Climate-related financial disclosures The Group is required to make certain disclosures in relation to the TCFD recommendations and makes additional recommended disclosures within the Annual Report on how the Group integrates climate risks and opportunities into business and investment decisions, and data on direct greenhouse gas emissions.	The Committee reviewed the way in which the Group's ESG strategy has been articulated within the Annual Report, including TCFD disclosures. The Committee concluded that it was satisfied with the disclosures included.
2023 Annual Report Under the Corporate Governance Code, the Board should establish arrangements to ensure that the Annual Report presents a fair, balanced and understandable assessment of the Group's position and prospects.	The Committee was provided with drafts of the Annual Report and provided feedback on areas where further clarity or information was required to provide a complete picture of the Group's performance. The Committee members were also provided with the final draft for review as part of the final sign-off.

Risk management and internal controls

Details of the Group's risk management process and the management and mitigation of key risks can be found on pages 70 to 73.

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

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

Matter	Work undertaken
Acquisition of ECP	The Committee received a number of papers which set out the integration risks that management had identified in respect of the transaction in relation to finance, tax, treasury, legal, compliance and IT matters, along with progress updates on the status of work ongoing. A paper which summarised the Group's pro forma exposure to foreign exchange risk following the transaction and the mitigating risk management techniques was also reviewed by the Committee.
Risk management framework	An update was provided to the Committee on revisions to the Group's enterprise risk management framework.
Compliance monitoring plan	The Committee received a paper which set out details of the Group's compliance monitoring plan. This had been recommended as part of the internal audit review of this topic. The paper provided detail of the geographic coverage of the plan, the alignment with enterprise risk management, the systems and tools used and the approach adopted to testing and reporting.
Cyber security risk	The Committee received a paper which updated it on the status of the results of a cyber crisis management exercise which was performed during the year, along with the proposed actions in response to recommendations. The paper also provided details of how cyber risks are monitored within the investment portfolio.
Data management and governance	The Committee received papers from internal audit and management during the year that summarised the progress of data management and governance. The paper from internal audit benchmarked the Group against the Deloitte Data and Control Framework and provided recommendations to enhance and develop the data platform in line with good practices. In addition to providing an update and response to the recommendations from internal audit, management's paper set out the Group's data strategy. This included detail of how standards and frameworks, data collection, management, quality control and self-service reporting were being developed across different functional areas, and how newer technologies such as GenAI and ChatGPT were being trialled and appraised.

Audit and Risk Committee report *continued*

External and internal audit

External audit

Mazars LLP were appointed as the Group's external auditor for the financial year ended 31 December 2023. They have now served for three years as appointed auditor.

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

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

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

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

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

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

Non-audit services provided by the external auditor

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

Total fees for non-audit services amounted to £0.5 million, which represents 36 per cent of the total fees for audit services for the year ended 31 December 2023. Details of all fees charged by the external auditor during the year are set out on page 152.

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

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

Internal audit

Deloitte LLP were appointed in 2022. They are accountable to the Audit and Risk Committee and use a risk-based approach to provide independent assurance over the adequacy and effectiveness of the control environment.

Following their appointment, Deloitte developed an audit plan for a three-year period, which envisaged approximately four audits per year across the Group's various business units, and was subject to review and challenge by the Committee before being approved.

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

During the year Deloitte completed the first of their annual plans for the 2022-23 period, which included:

- credit investment governance;
- a review of data management and governance; and
- a review of the Group's compliance monitoring programme.

In addition, Deloitte commenced audits from their 2023-24 plan, which included the completion of a review of ESG, cyber security and private equity investment governance, and the commencement of a review of the Group's risk management framework and Luxembourg regulatory compliance, which have not yet concluded.

Progress of management action plans is reported to the Committee at each meeting.

ESG Committee report

→
Carolyn McCall DBE
Chair of the ESG Committee

The ESG Committee was set up in March 2023 and I was very pleased to be asked to take the Chair role, given the increased attention and focus on ESG matters industry-wide and as ECP joins the Bridgepoint Group. I hope to bring my experience of a variety of different organisations to add value to what we are already doing. In its first year, the Committee has focused on developing an understanding of Bridgepoint's ESG and DEIB activities and initiating a review of Bridgepoint's sustainability strategy.

Committee establishment

The Bridgepoint Group plc ESG Committee replaced a previous executive level committee. The Committee's purpose is to oversee the implementation of the Group's ESG and DEIB policies, and more generally help the Board to fulfil its oversight responsibilities in relation to ESG matters. It also monitors sustainability performance and risk indicators across the Group and the investment portfolio. It aims to provide useful input and challenge into the overall ambitions in respect of ESG and DEIB matters as well as the management activities that support these ambitions.

The ESG Committee comprises two independent Non-Executive Directors, being myself and Angeles Garcia-Poveda. Angeles is a member of the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, which aims to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in the ESG Committee will help ensure that the Board stays up to date on industry best performance.

The Committee is supported by Edward Woods, who is a longtime partner at Bridgepoint with executive responsibility for ESG matters and Emma Watford, a partner and co-head of the UK private equity team who has overall responsibility for DEIB.

Work of the ESG Committee in 2023

In the Committee's inaugural year, its focus was on undertaking a review of the ESG and DEIB activities of Bridgepoint, and understanding how ESG and DEIB considerations are integrated into decision making (both within the Group, and within the portfolio). In addition, the Committee discussed the ESG and DEIB priorities for the Group, the charitable giving strategy as well as the Group's DEIB strategy (which you can read more about in the People section of this Annual Report.)

Priorities for 2024

For 2024, our focus will continue to be on the ongoing application of our responsible investment practices across the life-cycle of each investment and on continuing to achieve a high level of ESG performance at a Group level.

In relation to DEIB, in 2024 we will formalise an initiative focused on senior female representation, with the ultimate aim of ensuring we have female representation in key decision-making forums across the Group. We will also complete a diversity census to better understand the diversity profile of our organisation today. We will use the results of this survey to conclude on the next steps of our programme outside of gender. See people report on pages 34 and 35 for more information on our DEIB targets.

During 2024 we also intend to undertake a Bridgepoint materiality assessment which will inform our strategy for subsequent years.

Finally, the closing of the ECP transaction will mean that Bridgepoint will be able to leverage ECP's expertise in energy transition to the benefit of the Group's approach to sustainability.

Carolyn McCall DBE
Chair of the ESG Committee

→ Find out more: bridgepoint.eu

Remuneration Committee report

→
Angeles Garcia-Poveda
Chair of the Remuneration Committee

As Chair of the Bridgepoint Remuneration Committee, I am pleased to present on behalf of the Remuneration Committee the Directors' Remuneration Report for the year ended 31 December 2023.

Remuneration philosophy

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

Since Bridgepoint's inception, our differentiated culture has always been reflected in our incentive and remuneration structures which recognise and reward performance whilst providing strong alignment with the interests of our external stakeholders. Discretionary bonus structures reflect individual and company performance and are paid in addition to market competitive salaries and benefits. Employee share ownership is a key part of Bridgepoint's culture and currently employees and former employees (as well as certain related persons) hold over 50% of our issued share capital. Over 65% of our current permanent employees are shareholders.

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

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

As a Committee, we are pleased to confirm that during 2023, remuneration arrangements both for Executive Directors and the wider workforce have continued to operate in line with the Bridgepoint remuneration policy and philosophy.

Financial performance

Business performance in year ended 31 December 2023 has been strong, with underlying EBITDA and underlying profit before tax increasing by 7% and 12% to £149 million and £134 million respectively, translating to underlying earnings per share of 15 pence.

In 2023, Bridgepoint announced that ECP will be joining the Bridgepoint platform as detailed earlier in the Report. This is a significant step forward in delivering Bridgepoint's stated strategy of scaling through both product and geographical diversification.

Governance evolution

In September, the Company announced that Raoul Hughes would become Chief Executive and a Director of the Company with William Jackson continuing in his role as Chairman.

The remuneration payable to Raoul Hughes in relation to 2023 is set out on page 103 of this report. When setting his remuneration arrangements the Committee had regard to internal relativities, his pay as Group Managing Partner and market benchmarks. His annual base salary was set at £850,000, but no bonus or grants under the Restricted Share Plan ("RSP") have been made in respect of his time as Chief Executive in 2023. In 2024, he will be eligible to receive an annual bonus, with a maximum bonus opportunity of 200% of salary and a restricted share award of 100% of salary.

Remuneration payable in respect of 2023

The base salary of the Group Chief Financial Officer and Chief Operating Officer ("CFO") remained unchanged from that set at the time of the IPO. During the year, the CFO received his second grant under the RSP which equated to 50% of his salary. This will vest after three years subject to continued employment and achievement of the underpin as set out in the Remuneration Policy.

When considering the annual bonus outcome for the CFO, Bridgepoint uses a scorecard of measures that reflect the Group's business strategy, and which align with the interests of our stakeholders. In 2023, the annual bonus outcome was measured against FRE, PRE and cash conversion as well as other strategic performance and capital measures and ESG criteria.

Annual report on remuneration

Our CFO has performed well in relation to both the strategic and financial objectives we set for the year, with FRE and PRE delivering around the mid-point for the range of targets set by the Committee and cash conversion delivering at stretch. The announcement of the ECP transaction and our continued focus on ESG has resulted in a bonus of approximately 35% of his salary being earned in total. Further details of his performance against financial and non-financial performance measures can be found on pages 104 to 105.

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

Approach to remuneration for 2024

A number of factors were considered including performance, the increased size and complexity of the business following the completion of the ECP transaction, the market environment, the wider stakeholder context, and the position of Executive Director remuneration relative to the market.

Base salary

The base salary of the Chairman, Chief Executive and CFO will remain unchanged in 2024.

Variable pay

In line with the Remuneration Policy, the CFO will be eligible to receive an annual bonus for 2024, with his maximum bonus opportunity remaining at 50% of salary. The Chief Executive will also be eligible to receive a bonus with a maximum bonus opportunity of 200% of salary.

The Committee has reviewed the ongoing appropriateness and balance of metrics used for the 2023 bonus award and determined that both the Chief Executive and CFO should be aligned to the same metrics focussing on FRE, PRE and cash conversion which provide a view of underlying business performance to our stakeholders as well as key strategic and ESG measures. The weighting of these measures has been adjusted to reflect the priorities and drivers of each role, with strategic measures including capital measures and ESG having a weighting of 30% for the CFO and 40% for the Chief Executive.

An RSP award will be made to the Chief Executive and CFO following the announcement of annual results. The award will be valued at 100% and 50% of salary respectively and will vest after three years subject to continued employment and the performance underpin.

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

William Jackson will not receive an RSP award or an annual bonus.

Remuneration arrangements elsewhere in the Group

During 2023 we launched our latest employee engagement survey, maintaining high levels of engagement with a participation rate of over 80% and a strong overall engagement score. We continue to monitor this survey which enables colleagues, on a confidential basis, to provide feedback on a full range of employment issues, including remuneration. An average salary increase of 4.6% was approved for the wider workforce.

Conclusion

The Committee has satisfied itself that the remuneration outcomes for 2023 are appropriate and that the Remuneration Policy has operated as intended.

On behalf of the Committee thank you for reading this report and we look forward to receiving your support at the AGM on 15 May 2024 in relation to the approval of the Directors' Remuneration Report for 2023.

Angeles Garcia-Poveda
Chair of the Remuneration Committee

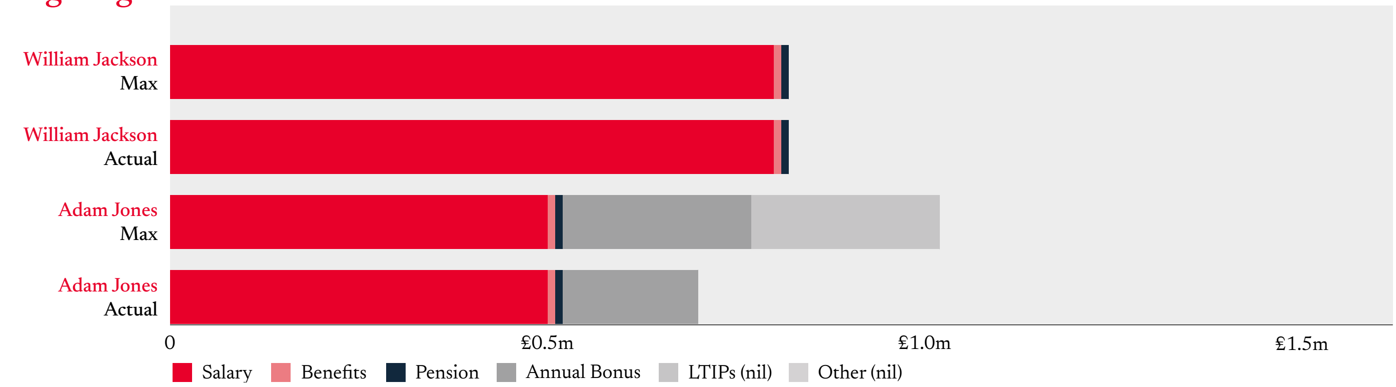
→ Find out more: bridgepoint.eu

Annual report on remuneration *continued*

Remuneration at a glance

Executive remuneration framework and Policy summary

Single figure remuneration



The above chart includes all those undertaking the role of Executive Director for the full year of 2023.

Component & purpose	Operation under the Policy	Maximum opportunity under the Policy	Outcomes for 2023	Operation in 2024
Base Salary To help recruit, reward and retain the calibre of talent required to deliver Bridgepoint's strategy.	Reviewed annually with any changes normally effective from the beginning of the financial year.	In considering increases, the Committee assesses the increases applying to the wider workforce as well as local market levels.	The Chairman and CFO's salary remained unchanged during 2023. From appointment, the Chief Executive received a salary of £850,000.	The salary of the Chairman, the Chief Executive and the CFO will remain unchanged.
Benefits To provide market competitive benefits and to support the health and wellbeing of Executive Directors.	Benefits currently received by Executive Directors include life assurance, private medical insurance and income protection.	The opportunity is set at the cost of providing the benefits described.	There have been no changes to the Executive Directors' benefit provision this year.	Benefits to operate in line with the Remuneration Policy and align to those available to UK colleagues.
Pension To provide market competitive retirement benefits.	A contribution to the Group Pension Plan or a cash allowance in lieu of pension.	A pension contribution rate in line with the rate applicable to the majority of the workforce in the appropriate country.	The pension contribution rate is currently 10% of salary up to a notional salary of £112,500. There have been no changes this year.	Pension to operate in line with the Remuneration Policy and align to those available to UK colleagues.
Annual Bonus To encourage the improved financial and non-financial performance of the business and to provide alignment with shareholders through the partial deferral of payment into shares.	The annual bonus is determined after the year-end based on performance against targets during the year.	The overall maximum annual bonus opportunity under the policy is 200% of salary.	The annual bonus payable to the CFO was £176,675 of which £25,838 was deferred under the terms of the Deferred Bonus Plan. The Chairman does not receive variable compensation. The Chief Executive received no annual bonus in relation to his time in this role.	Annual bonus opportunity for the CFO remains unchanged from 2023 at 50% of salary. The Chief Executive will have a bonus opportunity of 200% of salary. The Chairman will continue to not receive variable compensation.
Restricted Share Plan Provides alignment of the Executive Directors to shareholders by increasing share ownership and promoting long-term value creation.	An annual award of Bridgepoint shares which are subject to a performance underpin. Shares normally vest after 3 years and are subject to a further 2 year holding period.	The overall maximum annual award level is 100% of salary.	The annual award made to the CFO was 50% of salary. The Chairman does not receive variable compensation. The Chief Executive did not receive a grant in relation to his time in this role.	Annual award opportunity for the CFO remains unchanged from 2023. The Chief Executive will receive a grant of 100% of salary. The Chairman will continue to not receive variable compensation.

Remuneration Policy

During 2023, we operated under the Directors' Remuneration Policy approved at the AGM on 12 May 2022. The full Remuneration Policy can be found on our corporate website bridgepoint.eu.

Audited information

Total remuneration payable for the year to 31 December 2023

The following table sets out the total remuneration for the Executive Directors and the Non-Executive Directors for the year ended 31 December 2023.

All figures shown in £000	Financial year ended 31 December	Salary and fees	Taxable Benefits[2]	Pension[3]	Bonus	RSP	Total Fixed Remuneration	Total Variable Remuneration	Total
William Jackson	2023	800.0	8.6	9.9	–	–	818.5	–	818.5
	2022	860.0	6.8	9.8	–	–	876.6	–	876.6
Raoul Hughes[1]	2023	212.5	1.7	2.5	–	–	216.7	–	216.7
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adam Jones	2023	500.0	5.3	9.9	176.7	–	515.2	176.7	691.9
	2022	500.0	3.0	9.8	124.9	–	512.8	124.9	637.7
Angeles Garcia-Poveda	2023	108.4	–	–	–	–	108.4	–	108.4
	2022	95.0	–	–	–	–	95.0	–	95.0
Archie Norman	2023	221.0	–	–	–	–	221.0	–	221.0
	2022	200.0	–	–	–	–	200.0	–	200.0
Dame Carolyn McCall	2023	107.3	–	–	–	–	107.3	–	107.3
	2022	75.0	–	–	–	–	75.0	–	75.0
Tim Score	2023	102.0	–	–	–	–	102.0	–	102.0
	2022	95.0	–	–	–	–	95.0	–	95.0
Cyrus Taraporevala	2023	89.0	–	–	–	–	89.0	–	89.0
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the table

1. Remuneration is shown from the date of appointment as a Director.
2. Executive Directors receive family private medical insurance, life assurance and income protection. William Jackson and Raoul Hughes also participate in a legacy spouses pension arrangement.
3. Executive Directors have elected to receive a cash allowance in lieu of pension. No Executive Director participates in a defined benefit pension arrangement.

Annual bonus plan

Raoul Hughes received a bonus in relation to his performance in 2023 prior to becoming Chief Executive in line with normal practice. He received no bonus in relation to his time as Chief Executive during 2023.

Details of the 2023 bonus calculation for Adam Jones are set out on pages 104 to 105.

Restricted Share Plan ("RSP") vesting during the year

There are no awards under the RSP which vested during the year or are due to vest based on performance to 31 December 2023.

Annual report on remuneration *continued*

Awards in respect of annual performance

Measure	% Weighting	Threshold (20% vesting)	Intermediate (50% vesting)	Stretch (100% vesting)	Achievement	Outcome as a % of max
Underlying FRE	45%	£80.0m	£94.0m	£106.0m	£95.0m	24.4%
PRE	10%	£40.0m	£60.0m	£75.0m	£55.3m	4.3%
Cash Conversion	15%	50%	70%	95%	124%	15.0%
Employee Engagement, Diversity & ESG	15%	See tables below for a detailed summary of performance achieved against objectives set by the Committee for the performance period.			90% of max	13.5%
Business Strategy	15%				90% of max	13.5%
					Total Outcome	**70.7%**
					Amount payable	**£176,675**

The annual bonus payable to the CFO is £176,675 of which £25,838 will be deferred under the terms of the Deferred Bonus Plan.

The Committee determines the annual bonus award for the CFO using a balanced scorecard. At the beginning of 2023, measures that were 70% financial and 30% non-financial were selected, aligned to the Group's KPIs and APMs, see pages 50 to 53 for further details.

The Board has reviewed the commercial sensitivity of capital raised targets in respect of 2022. Upon review the Board remains of the view that these targets remain commercially sensitive given the business' current strategy.

Underlying FRE - Bridgepoint generated management fees of £265 million in 2023, a 10% increase from 2022. This was driven by a 11% increase in fee paying AUM benefiting from further fundraising in BE VII, the launch of two new CLOs and deployment in the direct lending and credit opportunities funds. Combined with careful cost control, Bridgepoint was able to deliver a 28% increase in underlying FRE to £95m, ahead of market expectations.

PRE - Bridgepoint delivered PRE of £55 million for the full year following a step up in activity in H2 (2022: £65 million), with the latest vintage of fully invested funds in private equity ahead of plan whilst deployment activity was also strong with BE VII now 31% of primary capital deployed based on the target fund size and BDC IV 79% of primary capital deployed.

Cash Conversion – The normal cycle for cash flow from operations includes periodic invoicing and receipt of management fees and monthly payment of personnel related costs and operating expenses as they fall due, with variable compensation typically paid annually. As such, FRE should largely convert to cash over the financial year. In 2023, excluding exceptional costs relating to the ECP transaction and the receipt of deferred proceeds from the sale of Bridgepoint's stake in the BC II fund, the Group achieved a cash conversion ratio of 124%, including the receipt of certain receivables relating to 2022 in 2023.

Non-financial objectives

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

ESG - A new Bridgepoint Group plc ESG Committee, comprising Non-Executive Directors Carolyn McCall (Chair) and Angeles Garcia- Poveda, was set up in early 2023, replacing a previous executive committee. The Committee's purpose is to oversee the implementation of the Group's ESG and DEIB policies, and assist the Board in fulfilling its oversight responsibilities in relation to ESG matters. It also monitors sustainability performance and risk indicators across the Group and the investment portfolio. During the year, the Sustainability team continued to progress with supporting the investment teams to incorporate climate risk into due diligence processes and support portfolio companies in addressing ESG matters.

Diversity - In 2023 Bridgepoint has maintained its focus on gender diversity, raising its targets for investment and non-investment teams. In addition, the Group has agreed its first sustainability linked loan facility with margins related to improving performance in gender diversity and implementation of emissions reduction strategies.

Employee Engagement - During 2023 we launched our latest employee engagement survey, maintaining high levels of engagement with a participation rate of over 80% and a strong overall engagement score. Management have enhanced internal communications over the course of the year and along with the continued development of other engagement forums such as our Town Hall meetings, we have been well placed to ensure that we receive regular employee feedback to inform decisions at Board level and guide our efforts to retain and attract top talent.

The Committee weighted these objectives equally and assessed that the CFO's performance in advancing these three core objectives warranted a 90% of maximum score.

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

Operational Initiatives – Throughout 2023 Bridgepoint has maintained its focus on building out post IPO operational capabilities. A number of systems projects across the specialist functions have been completed to timescale and budget which are delivering an improved platform for investor information and real time access to our fund and portfolio performance information, enhancing our investor communications.

Business Development – As noted previously during 2023 Bridgepoint announced that ECP will be joining the Bridgepoint platform. Once completed, the addition of ECP to the Group represents a major step forward in implementing the strategy set out at IPO of scaling through product and geographical diversification.

The Committee assessed that the CFO's performance in relation to advancing these operational initiatives and business development warranted a 90% of maximum score.

Combining the financial and non-financial results gives a total bonus outcome of 70.7% of maximum bonus opportunity for the CFO. The Committee has determined that the balanced scorecard outcome appropriately reflects the financial and strategic performance delivered.

Incentive awards granted during the year

The following table provides details of the incentive awards granted during the year ended 31 December 2023:

Director	Award	Award Date	Vesting Date	Face Value at Grant	Number of Shares Awarded
Adam Jones	Restricted Share Plan	31 Mar 2023	31 Mar 2026	£250,000	114,953

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

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

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

Payments to former Directors and for loss of office

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

Annual report on remuneration *continued*

Directors' interests

The interests of the Directors and their connected persons in the shares in the Company as at 31 December 2023 are set out below.

Director	Shares held outright at 31 December 2023	Vested shares subject to holding period	Unvested shares subject to holding period	Shareholding requirement (% of salary)	Requirement met[1]
William Jackson[2]	822,856	10,630,980	5,488,194	300%	Yes
Raoul Hughes[2]	400,000	10,630,982	4,708,193	300%	Yes
Adam Jones[2]	189,143		4,133,851	300%	Yes
Angeles Garcia-Poveda	94,286				
Dame Carolyn McCall	75,714				
Archie Norman	275,000				
Tim Score	75,714				
Cyrus Taraporevala	100,000				

1. Based on closing share price on 31 December 2023 of £2.79 per share.
2. Including shares held by connected persons, but excluding shares held by Burgundy Investments Holdings LP

Adam Jones vested 2,648,775 shares on 31 January 2024 which remain subject to a holding period. Otherwise, between 31 December 2023 and 20 March 2024, being the latest practicable date before publication of this Annual Report, there have been no changes in the Directors' interest in shares, or those of their connected persons. Raoul Hughes, William Jackson and Adam Jones acquired shares under legacy share purchase arrangements in June 2021 which will normally have to be sold for nominal consideration if they leave employment prior to various dates that end in July 2026.

During employment, Executive Directors are required to build and maintain a shareholding equivalent to 300% of their base salary. The shareholdings of the Chief Executive, Chairman and CFO exceed this requirement significantly. Post-cessation of employment, Executive Directors must retain shares to the value of 300% of salary (or the number of shares held at cessation if lower than 300%) for a period of two years in accordance with the Remuneration Policy.

Performance graph and table

Bridgepoint Group plc shares began unconditional trading on the London Stock Exchange's main market on 26 July 2021. The chart below shows the Total Shareholder Return performance of £100 invested in Bridgepoint from 26 July 2021 to 31 December 2023 against the FTSE 250 index. The FTSE 250 index is considered an appropriate comparison as Bridgepoint is a constituent of the index.

	*2022	*2023	**2023
Lead Executive single figure total remuneration (£000s)	876.6	818.5	216.7
Bonus as a % of maximum opportunity	N/A	N/A	N/A
Long-term incentive vesting (as % of maximum opportunity)	N/A	N/A	N/A

Figures reflect remuneration to 31 December 2023. No long-term incentives have been granted or bonuses awarded to the Chairman under the Directors' Remuneration Policy to date.

* William Jackson ** Raoul Hughes

Percentage change in remuneration of Directors

The table below shows the percentage change in each Director's salary/fees, taxable benefits and annual bonus between 2022 and 2023 compared with the average percentage change in each of those components of pay for the employees of Bridgepoint as a whole. The information in this table will build up to show a five-year history as required under the reporting regulations.

	2022/2023		
% Change	Salaries/fees	Taxable Benefits	Short-Term Incentives
Raoul Hughes	N/A	N/A	N/A
William Jackson	-7.0%	26.9%	N/A
Adam Jones	0.0%	74.0%	41.5%
Archie Norman	10.5%	N/A	N/A
Angeles Garcia-Poveda	14.1%	N/A	N/A
Dame Carolyn McCall	43.1%	N/A	N/A
Tim Score	7.4%	N/A	N/A
Cyrus Taraporevala	N/A	N/A	N/A
All employees	4.6%	16.3%	1.5%

The year-on-year increase in fees for the NEDs reflects various movements in roles in addition to underlying fee rate changes. Further details on fees paid to NEDs can be found on page 109. Significant increases in taxable benefits are due to changes in coverage levels and premiums for medical insurance, whilst movements in short-term incentives are reflective of demographic and performance changes.

Chief Executive pay ratio

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

Financial year	Method	Lower Quartile	Median	Upper Quartile
2023	A	8:1	4:1	2:1
2022	A	8:1	5:1	3:1

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

Figures shown in £000s	Chairman/Chief Executive	Lower Quartile	Median	Upper Quartile
Base salary	812.5	68.8	95.0	165.8
Total pay	822.4	103.4	188.3	361.8

The Chairman/Chief Executive pay figures were calculated by reference to William Jackson until 1 October 2023 and Raoul Hughes thereafter. The employee pay figures were calculated by reference to the year to 31 December 2023, which is consistent with the period used for the Single Total Figure of Remuneration for the Directors. The total pay and taxable benefits were determined for all UK permanent and fixed term employees as at 31 December 2023. No components have been omitted in calculating total pay and taxable benefits on a single total figure of remuneration (STFR) basis. Necessary adjustments were made in determining full time pay and benefits so that salaries, cash bonuses, share awards, taxable benefits and pensions were annualised for employees who have not been with the Company for the full financial year or grossed up on a full-time equivalent basis for employees who work on a part time basis.

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

Relative importance of the spend on pay

The table below shows the Company's expenditure on employee pay compared to distributions to shareholders in the year ended 31 December 2022 and 2023.

	2022 £ m	2023 £ m	% Change
Distributions to shareholders	62.8	128.2	104%
Aggregate personnel expenses	126.9	132.5	4%

Implementation of policy in 2024

Executive Director remuneration

Base salary

Base salary levels will be as follows:

- Chairman: £800,000
- Chief Executive £850,000
- Chief Financial Officer: £500,000

Pension and benefits

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

Annual bonus plan

Adam Jones, the Chief Financial Officer, and Raoul Hughes, the Chief Executive, will be eligible to participate in the annual bonus plan for 2024. The Chairman will not receive a bonus. The maximum bonus opportunity for Adam Jones will be 50% of salary and for Raoul Hughes it will be 200% of salary.

Performance will be based on a mix of financial and non-financial metrics, weighted at 70% and 30% of the bonus opportunity respectively for the CFO and 60% and 40% respectively for the Chief Executive. These metrics take account of the key business priorities focussing on FRE, PRE and a cash measure. Part of the variable pay will be based on strategic and operational metrics including ESG measures.

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

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

Malus and clawback provisions apply in line with the Remuneration Policy, available on our corporate website Bridgepoint.eu.

Restricted share awards

A restricted share award will be made to Adam Jones and Raoul Hughes following the announcement of the annual results. The award will be valued at 50% of salary for Adam Jones and 100% of salary for Raoul Hughes and will vest after three years subject to continued employment and the underpin contained in the Remuneration Policy.

William Jackson will not be eligible to receive a restricted share award.

Non-Executive Director remuneration

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

Non-Executive Director	2023 Fee	2024 Fee
Senior Independent Director's fee	£125,000	**£125,000**
Non-Executive Director base fee	£75,000	**£75,000**
Audit and Risk Committee Chair's fee	£20,000	**£20,000**
ESG Committee Chair's fee	£20,000	**£20,000**
Remuneration Committee Chair's fee	£20,000	**£20,000**
Committee membership fee	£7,000	**£7,000**

Directors' service contracts and letters of appointment

Name	Date of appointment	Date of current contract	Notice from Company	Notice from the individual
William Jackson	25 June 2021	5 September 2023	12 months	12 months
Raoul Hughes	1 October 2023	5 September 2023	12 months	12 months
Adam Jones	25 June 2021	21 June 2021	12 months	12 months
Angeles Garcia-Poveda	25 June 2021	21 June 2021	3 months	3 months
Dame Carolyn McCall	12 July 2021	22 June 2021	3 months	3 months
Archie Norman	25 June 2021	21 June 2021	3 months	3 months
Tim Score	25 June 2021	21 June 2021	3 months	3 months
Cyrus Taraporevala	1 January 2023	23 November 2022	3 months	3 months

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

Governance of remuneration

Roles and responsibility

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

The Remuneration Committee is responsible for:

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

Remuneration Committee members and meetings

During 2023 the Committee comprised of the three independent Non-Executive Directors listed below. The Remuneration Committee Chair, Angeles Garcia-Poveda, has nine years' experience chairing other remuneration committees. The Committee will meet at least three times a year.

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

Committee Chair	Angeles Garcia-Poveda
Committee member	Archie Norman
Committee member	Cyrus Taraporevala

Key activities during the year

During the year, the Committee has carried out the following activities:

- set the KPIs for the Executive Directors;
- determined Executive Director awards and reviewed awards payable to all material risk takers and control staff;
- reviewed annual bonus metrics ahead of 2024 to ensure they appropriately align with business strategy and promote the correct behaviours;
- received and debated briefings on the operation of remuneration arrangements throughout the Group; and
- planned the cycle of work for 2024.

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

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

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

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

Effectiveness

The operations of the Committee were reviewed as part of an externally facilitated Board evaluation with The Effective Board LLP during 2023; the Committee was found to be operating effectively. For more details of this exercise, please see page 91.

External advisers

The Remuneration Committee receives independent advice from Korn Ferry, Executive Pay & Governance division, who were appointed pre-IPO in 2021 following a tender process. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the code. The fees for the advice provided during 2023 were £68,210. Other than Remuneration Consultancy, Korn Ferry provided no other advice or services to the Company during the year.

Resolution	Votes for	%	Votes against	%	Total votes cast (excluding withheld votes)	Votes withheld
Directors' Remuneration Report for 2022 (2023 AGM)	658,932,317	100%	29,412	0.00%	658,961,729	129,191,512
Directors' Remuneration Policy (2022 AGM)	747,619,996	99.74%	1,975,439	0.26%	749,595,435	59,712,930

Directors' report and additional disclosures

The Directors present their report for the year ended 31 December 2023. The Directors' report comprises this report and the entire Governance section. In accordance with the FCA's Listing Rules, the information to be included in the 2023 Annual Report, where applicable, under LR 9.8.4, is set out in this Directors' report. Particular information that is relevant to this report, and which is incorporated by reference, can be located as follows:

Information	Section in Annual Report	Page numbers
Likely future developments of the business of the Group	Strategic Report	22 – 29
Stakeholder engagement (including employee engagement)	Strategic Report	36 – 41
Dividends	Strategic Report	9
Carbon and greenhouse gas emissions	Strategic Report	74 – 80
Risk management	Strategic Report	68 – 73
Board of Directors	Governance	82 – 85
Corporate governance report	Governance	87 – 90
Financial instruments – risk management objectives and policies	Financial Statements	172 – 177
Acquisitions of own shares	Financial Statements	181
Events after the reporting period	Financial Statements	193

The Directors' report, together with the Strategic Report on pages 2 to 81, represent the management report for the purposes of compliance with Rule 4.1 of the FCA's Disclosure Guidance and Transparency Rules.

Directors' liability insurance and indemnity

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

The Company has also indemnified each Director to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity arrangements are qualifying third-party indemnity provisions under section 234 of the Companies Act 2006. All such indemnities were in force during 2023, other than that for Raoul Hughes, which took effect upon his appointment.

Political donations

It is not the policy of the Company to make political donations as contemplated by the Companies Act 2006 and, during 2023, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred.

DEIB

It's our ambition to better reflect the communities in which we operate by creating an environment where the best have an opportunity to thrive, regardless of background. Our approach to DEIB is about our diversity of thought and collective intelligence and the impact they can bring on the quality of our decision-making, outcomes and performance. It is not about tokenism or ticking boxes.

We recognise that we still have a way to go but we're proud of what we've achieved so far. We have a balanced team when it comes to gender, with women representing close to half our collective workforce and occupying half of the leadership roles in our specialist teams. On the investment side, we've effected real change with 25% of our investment professionals now being women, a marked development since 2016 when that figure was closer to 5%.

→ Further details on our DEIB strategy are included in the people section of the Strategic Report on pages 34 and 35.

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

Financial support is also provided by the Group to support disabled employees who are unable to work, as appropriate to local market conditions.

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

Numerical diversity data as at 31 December 2023

Gender identity and ethnicity diversity data in accordance with Listing Rule 9.8.6R(10) is set out below:

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	75%	4	11	91.7%
Women	2	25%	0	1	8.3%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-White groups)	7	87.5%	4	11	92%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	12.5%	0	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	1	8%

Following the appointment of Cyrus Taraporevala to the Board, the Company has satisfied the Parker Review target and the target set by Listing Rule 9.8.6(9)(a)(iii). However, there are only two women on the Board out of eight directors, which does not meet the target set by Listing Rule 9.8.6(9)(a)(i). The Company is in active discussions to appoint a further female Director. The positions of Chair, Chief Executive, Senior Independent Director and CFO are all currently filled by men, which does not meet the target set by Listing Rule 9.8.6(9)(a)(ii), but following any vacancy the need for appropriate diversity would be taken into account.

Share capital

As at 20 March 2024, the issued share capital was 793,733,543 ordinary shares of £0.00005 each, 500 deferred shares of £81 each, 1 deferred share of £1, and 1 deferred share of £0.01.

Significant shareholdings

As at 31 December 2023, the Company had been notified pursuant to DTR 5 or otherwise was aware at the time of the IPO of the following interests representing 3% or more of the voting rights of the Company's ordinary shares:

Shareholder	Number of ordinary shares	Percentage of total voting rights
Blue Owl GP Stakes IV (C) LP (formerly Dyal Capital Partners IV (C) LP)	124,531,939	15.69%
Burgundy Investments Holdings LP	78,424,917	9.88%
T. Rowe Price Associates, Inc.	45,130,992	5.69%
The Capital Group Companies, Inc.	41,939,868	5.28%

Between 31 December 2023 and 20 March 2024, being the latest practicable date before the publication of this Annual Report, the Company received no further notifications under DTR 5.

Rights and restrictions attaching to ordinary shares

Holders of ordinary shares are entitled to attend, speak and vote at general meetings and to appoint proxies and, in the case of corporations, corporate representatives are entitled to attend, speak and vote at such meetings on their behalf.

To attend and vote at a general meeting a shareholder must be entered on the register of members at such time (not being earlier than 48 hours before the meeting) as stated in the notice of general meeting. All resolutions at a general meeting are voted on by poll, with holders of ordinary shares having one vote for each share held.

Directors' report and additional disclosures *continued*

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

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

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

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

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

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

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

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

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

As at 31 December 2023, below is the schedule for the remaining releases of shares from the IPO lock-up restrictions:

Date	Shares released from lock-up
July 2024	81,329,463
July 2025	81,329,463
July 2026	186,891,591

Pursuant to the Company's Long-Term Incentive Plan and the relevant terms of grant, Company shares granted to Executive Directors on vesting of existing awards are subject to a holding period of two years.

Save as described above and within this Directors' report, the Company is not aware of any agreements between holders of its securities that may restrict the transfer of shares or exercise of voting rights.

Authority to purchase own shares

At the annual general meeting held on 18 May 2023, shareholders passed a special resolution to authorise the Company, subject to certain conditions, to purchase on the market a maximum of 81,999,850 ordinary shares, representing approximately 10% of the Company's issued ordinary share capital. As at 20 March 2024, 19,439,178 shares have been purchased under this authority, and the authority will expire at the conclusion of the 2024 AGM or, if earlier, at the close of business on 31 July 2024. The Directors are seeking the renewal of this authority at the 2024 AGM.

Employee benefit trust

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

Dividend waiver

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

Powers of Directors and Director appointments

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

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

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

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

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

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

Articles

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

Change of control

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

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

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

By order of the Board:

David Plant
Group Company Secretary

Bridgepoint Group plc
Company number: 11443992

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

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

Each of the Directors, whose names and functions are listed on pages 82 to 85, confirm that, to the best of their knowledge:

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

In accordance with Section 418 of the Companies Act 2006, the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Board has conducted a review of the effectiveness of the Group's systems of risk management and internal controls including financial, operational and compliance controls, for the year ended 31 December 2023.

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

By order of the Board

Adam Jones
Group Chief Financial Officer
and Chief Operating Officer

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

Opinion

We have audited the financial statements of Bridgepoint Group plc (the "Parent Company") and its subsidiaries (together the "Group") for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows, and notes 1 to 30 to the financial statements, including material accounting policy information.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

- undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- obtaining an understanding of the relevant controls relating to the Directors' going concern assessment;
- making enquiries of the Directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group's and the Parent Company's future financial performance;
- identifying and testing key assumptions within the going concern assessment, considering in particular the impact of the anticipated acquisition of Energy Capital Partners;
- testing the mechanical and arithmetical accuracy of the model used to prepare the Group's cash flow forecasts;
- considering the consistency of Management's forecasts with other areas of the audit;
- obtaining an understanding of the financing facilities available to the Group and reviewing the compliance with related covenants;
- assessing the sensitivity of the forecasts and conclusions to key assumptions including critically reviewing stressed scenarios; and
- assessing the appropriateness of risk factors disclosed in the Group's going concern statement by comparison to the understanding gained in our audit procedures.

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

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

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

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

Key audit matters

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

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

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

Key Audit Matter	How our scope addressed this matter

Recognition of revenue arising from management and other fees
In the Consolidated Statement of Profit or Loss, management and other fees total £265.3 million (2022: £241.5 million).
 	
Refer to the accounting policies (page 136); and Note 5 of the Financial Statements (page 149).
 	
The Group is entitled to management and other fees arising from its performance of investment management and related services to Bridgepoint funds and third parties. Management fees are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage. Other fees include fees and commissions relating to services provided to third parties.
 	
Auditing standards presume there is a risk of fraud associated to revenue recognition. We have concluded that due to the manual nature of the process, that risk is associated to the incorrect calculation of management and other fees.
	Our audit procedures included, but were not limited to:
	– performing walkthroughs to develop an understanding of the procedures associated with revenue recognition and evaluating the design and implementation of the relevant controls in place;
	– selecting a sample of funds and:
	  – agreeing the fee terms used in the calculation to the relevant legal agreements;
	  – validating key inputs such as committed capital or investment cost to supporting evidence;
	  – testing the arithmetical accuracy of the calculations prepared by Management or the third-party administrator by performing independent recalculations; and
	  – tracing management fees received during the year to bank statements.
	The sample selected represent 89% of the management and other fee balances for the year.
	– assessing the appropriateness of the accounting policy associated with the recognition of management and other fees.
	
	Our observations
	Our audit procedures did not identify any material matters regarding the calculation and recognition of management and other fees. Management and other fees have been recorded in accordance with UK-adopted international accounting standards.

Key Audit Matter	How our scope addressed this matter

Valuation of private equity and credit funds
In the Consolidated Statement of Financial Position, the fair value of fund investments, excluding unconsolidated CLOs, is £286.2 million (2022: £257.9 million).
 	
Refer to the accounting policies (pages 140-141); and Notes 3, 16 and 19 of the Financial Statements (pages 146, 158-159 and pages 167-171).
 	
The Group holds investments in private equity and credit funds. These are measured at fair value based on the net asset value determined by Bridgepoint, acting as the manager of the underlying funds.
 	
The valuation techniques used to determine the fair value of investments held by the funds involve a high degree of estimation uncertainty, including the impact of climate change. Therefore, there is a risk of error in the determination of the fair value of these investments that could lead to a misstatement in the fair value of the investments in those funds.
	Our audit procedures included, but were not limited to:
	– performing walkthroughs to develop an understanding of the procedures and controls associated with valuation of investments and evaluating the design and implementation of the relevant controls in place. This included inquiry of Management regarding the valuation governance structure and their oversight of the valuation process, including evidencing the oversight from the Audit and Risk Committee and the relevant Valuation Committees;
	– for a sample of investments in funds, agreeing the balance to capital statements and reconciling the capital statements to audited financial statements of the funds; and
	– for a sample of underlying portfolio companies held by the funds (look-through procedures), with the assistance of our valuation specialists:
	  – evaluating the appropriateness of the valuation methodology used and obtaining an understanding of the key assumptions (including the impact of climate change);
	  – agreeing key inputs into the valuation models to source data; and
	  – assessing the mathematical accuracy of the valuation models.
	Our observations
	For the sample of valuations subject to our audit procedures, we concluded that the methodology applied in the valuations and the assumptions adopted therein are in line with IPEV guidelines and generally accepted valuation practices and comply with the fair value principles outlined in IFRS 13 “Fair Value Measurement” (“IFRS 13”).

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

Key Audit Matter	How our scope addressed this matter

Valuation of financial liabilities at fair value arising from the consolidated CLOs
In the Consolidated Statement of Financial Position, the fair value of consolidated CLO liabilities is £1,152.0 million (2022: £597.5 million).
 	
Refer to the accounting policies (page 142); and Notes 3, 17 and 19 of the Financial Statements (pages 146-147, 162-165 and pages 167-171).
 	
The Group consolidates its investment in certain CLO vehicles. As a result, the CLO notes held by third parties are consolidated as financial liabilities at fair value through profit or loss. The valuation techniques used involve a higher degree of estimation uncertainty, which we assessed has a risk of material error. The Group applies the residual valuation approach to account for the inherent asymmetry between the assets and liabilities resulting from the consolidation of the CLO notes.
	Our audit procedures included, but were not limited to:
	– performing walkthroughs to develop an understanding of the procedures and controls associated with the valuation of CLO notes and evaluating the design and implementation of the relevant controls in place. This included inquiry of Management about the valuation governance structure and their oversight of the valuation process, including evidencing oversight from the Audit and Risk Committee and the relevant Valuation Committee;
	– with the assistance of our valuation specialists, challenging the valuations of the CLO notes held by the Group, through a series of tests which included:
	  – assessing the methodology used in determining fair value;
	  – comparing Management's cash flow modelling with one of the market standard tools set up based on CLO documentation and trustee reports; and
	  – assessing the assumptions used in Management's model (recovery rate, prepayments, default and yield).
	– assessing whether Management has consistently applied the residual value approach in valuing the CLO Notes; and
	– verifying the inputs in the residual value approach to the audit work performed on the consolidated CLO assets and liabilities.
	
	Our observations
	Based on the results of audit work performed, we concluded that the valuation of the financial liabilities arising from the consolidated CLOs is materially in accordance with the fair value principles outlined in IFRS 13.

Key Audit Matter	How our scope addressed this matter

Recognition of carried interest income and measurement of carried interest receivable
In the Consolidated Statement of Profit or Loss, carried interest income totals £30.0 million (2022: £24.2 million). In the Consolidated Statement of Financial Position, carried interest receivable amounts to £67.3 million (2022: £42.0 million).
 	
Refer to the accounting policies (page 136); and Notes 3, 5 and 15 of the Financial Statements (pages 145, 149 and 157).
 	
The carried interest receivable represents the expected income that the Group will receive from those funds where the fund performance has exceeded the relevant thresholds based upon the net asset value of the underlying fund. Carried interest is calculated as a contractual percentage of a fund's return, once a specified hurdle rate is expected to be met. These amounts are specified in the underlying contract between the fund and the Group in its capacity as investment manager. Carried interest is only received when a triggering event, such as a realisation of a fund's investment, occurs. In respect of carried interest, in accordance with IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"), Management must apply judgment to determine whether it is highly probable that the performance above the hurdle of each fund will not reverse after the reporting date.
 	
During the year, Management has updated its estimation process to align the discounts applied to the different levels of uncertainty associated to the different stages of life of each fund.
 	
The following are identified as the key risks or judgments in respect to the recognition of carried interest:
– inappropriate judgments are made by Management in the calculations, including whether an appropriate discount is applied;
– errors made in complex manual calculation models; and
– inappropriate inputs used by Management in the calculations.
 	
The accuracy and recognition of revenue is important to the Group's financial statements. Stakeholder expectations may place pressure on Management to influence the recognition of revenue. This may result in overstatement or deferral of revenue to assist in meeting current or future revenue targets or expectations.
	Our audit procedures included, but were not limited to:
	– performing walkthroughs to develop an understanding of the procedures associated with recognition and measurement of carried interest and evaluating the design and implementation of the relevant controls;
	– assessing the appropriateness of the accounting policy associated with the recognition of carried interest;
	– assessing the appropriateness of the underlying updated methodology applied in determining the discount of each fund and the related disclosures;
	– for a sample of managed funds:
	  – agreeing the inputs used in the carried interest calculations to supporting evidence, including legal agreements, verifying the applicable hurdle and triggers for the contractual right to carried interest;
	  – recalculating the value of the carried interest receivable; and
	  – inquiring about any ongoing negotiations on investment exits and assessing their impact on the discount applied for the recognition of related carried interest accruals.
	– ensuring Management included appropriate disclosures in relation to significant assumptions and sensitivities.
	
	Our observations
	Based on the results of audit procedures performed we concluded the recognition of carried interest is materially in accordance with IFRS 15.

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

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

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

Group materiality

Overall materiality	£6.4 million
How we determined it	5% of profit before tax excluding exceptional income and expenses, as reported in the Consolidated Statement of Profit or Loss
Rationale for benchmark applied	We have considered that the profitability of the business is the key focus of the users of the financial statements, and as such, we have based our materiality around this benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Having considered the knowledge of the Group's operations and controls in the prior year's audit, we set performance materiality at £3.8 million, which represents 60% of overall materiality.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £0.2 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The range of overall materiality across significant components, audited to the lower of statutory audit materiality and materiality set for Group audit purposes, was between £0.1 million and £5.1 million, all being below the level of overall materiality that was set for the Group.

Parent Company materiality

Overall materiality	£6.4 million
How we determined it	1% of total assets (capped at 0.54% so as not to exceed Group materiality)
Rationale for benchmark applied	We have considered that total assets is the most appropriate benchmark as the Parent Company is a holding entity with no material liabilities.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Based on our risk assessment, together with our assessment of the overall control environment, our performance materiality is set at £3.8 million, which represents 60% of overall materiality.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £0.2 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

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

Our Group audit scope included an audit of the Group and the Parent Company financial statements. Based on our risk assessment, Bridgepoint Advisers Holdings, Bridgepoint Credit Holdings Limited, Bridgepoint Advisers Limited, Bridgepoint Advisers II Limited, Bridgepoint Advisers UK Limited, Bridgepoint Credit Advisers UK Limited, Bridgepoint Direct Lending II GP S.à r.l., Bridgepoint Direct Lending III GP S.à r.l., BCLO Credit Investments I S.à r.l., BP Credit Opportunities IV GP S.à r.l., Bridgepoint CLO 1 DAC, Bridgepoint CLO 3 DAC, Bridgepoint CLO IV DAC, Bridgepoint CLO V DAC, Bridgepoint CLO VI DAC and the Parent Company, Bridgepoint Group plc, were subject to a full scope audit performed by the Group audit team. In addition, Mazars component auditors performed a full scope audit of Bridgepoint SAS, and specified scope procedures on Bridgepoint LLC.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

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

Corporate governance statement

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 67;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on pages 65-67;
- Directors' statement on fair, balanced and understandable, set out on page 116;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 97;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, set out on page 97; and
- the section describing the work of the Audit and Risk Committee, set out on pages 92-98.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 116, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK Bribery Act, UK Corporate Governance Code, Financial Services and Markets Act, Streamlined Energy and Carbon Reporting, tax legislation and anti-money laundering regulation.

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

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

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

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

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

- making enquiries of the Directors and Management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing;
- critically assessing accounting estimates impacting amounts included in the financial statements for evidence of management bias;
- considering significant transactions outside of the normal course of business. Our approach included Management inquiry, review of the Board minutes, review of correspondences with regulators and analytical review to identify significant movements on transactions and balances and substantively testing the transaction and related disclosure, where applicable;
- reviewing the journal entry process to evaluate its effectiveness and appropriateness, including an assessment of the level of segregation of duties and a risk-based selection of journals based on what we considered as high-risk criteria using a data analytics tool and testing these against supporting documentation and obtaining Management explanations; and
- obtaining an understanding of the rationale for and testing related party transactions and balances.

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

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

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

Other matters which we are required to address

Following the recommendation of the Audit and Risk Committee, we were appointed by Bridgepoint Group plc on 4 October 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 December 2021 to 31 December 2023.

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

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

Use of the audit report

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

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

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

Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU

20 March 2024

Consolidated Statement of Profit or Loss

for the year ended 31 December

	Note	2023 £ m	(Restated) 2022** £ m
Management and other fees	5	**265.3**	241.5
Carried interest	5	**30.0**	24.2
Fair value remeasurement of investments	5	**25.3**	40.7
Other operating income		**1.0**	1.0
Total operating income		**321.6**	307.4
Personnel expenses	6	**(132.5)**	(126.9)
Other operating expenses	7	**(92.0)**	(44.5)
EBITDA*		**97.1**	136.0
Depreciation and amortisation expense	9	**(18.7)**	(18.3)
Finance and other income	10	**16.7**	17.6
Finance and other expenses	10	**(9.1)**	(7.9)
Profit before tax*		**86.0**	127.4
Tax	11	**(15.3)**	(6.8)
Profit after tax		**70.7**	120.6
Attributable to:			
Equity holders of the parent		**70.7**	120.6
		£	£
Basic and diluted earnings per share	12	**0.09**	0.15

* Exceptional expenses of £47.7m (2022: £3.2m) are included in EBITDA. Profit before tax includes exceptional expenses of £47.7m (2022: £3.2m) and exceptional income of £6.9m (2022: £13.6m). Details of exceptional items are included in note 8 on page 152.

** The Group has changed the presentation of the Consolidated Statement of Profit or Loss for the year ended 31 December 2022 to reclassify foreign exchange gains and losses from EBITDA to finance and other income and expenses with nil impact in profit before tax or profit after tax. Further details are provided in note 1 on page 134.

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

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	Note	2023 £ m	2022 £ m
Profit after tax		**70.7**	120.6
Items that may be reclassified to the statement of profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		**(5.8)**	11.3
Change in the fair value of hedging instruments	20 (b)	**8.6**	(10.5)
Change in the time value of foreign exchange options	20 (b)	**0.1**	–
Reclassifications to the Consolidated Statement of Profit or Loss	20 (b)	**1.3**	(5.9)
Total tax on components of other comprehensive income	11 (c)	**(2.2)**	3.3
Other comprehensive income/(loss) net of tax		**2.0**	(1.8)
Total comprehensive income net of tax		**72.7**	118.8
Total comprehensive income attributable to:			
Equity holders of the parent		**72.7**	118.8

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

Consolidated Statement of Financial Position

as at 31 December

	Note	2023 £ m	2022 £ m
Assets			
Non-current assets			
Property, plant and equipment	13	**73.7**	85.5
Goodwill and intangible assets	14	**116.6**	119.6
Carried interest receivable	15	**67.3**	42.0
Fair value of fund investments	16 (a), (b)	**301.4**	273.0
Trade and other receivables	16 (a), (f)	**23.2**	19.9
Total non-current assets		**582.2**	540.0
Current assets			
Consolidated CLO assets*	16 (a), (d)	**1,348.8**	741.3
Trade and other receivables	16 (a), (f)	**118.2**	184.9
Derivative financial assets	16 (a), (e)	**6.2**	1.0
Other investments	16 (a), (c)	**7.5**	–
Cash and cash equivalents	16 (a), (g)	**238.8**	196.0
Term deposits with original maturities of more than three months	16 (g)	**–**	100.0
Consolidated CLO cash*	16 (a), (g)	**76.0**	24.6
Total current assets		**1,795.5**	1,247.8
Total assets		**2,377.7**	1,787.8
Liabilities			
Non-current liabilities			
Trade and other payables	17 (a), (b)	**13.1**	13.6
Other financial liabilities	17 (a), (d)	**50.1**	49.5
Fair value of consolidated CLO liabilities*	17 (a), (e)	**1,152.0**	597.5
Lease liabilities	17 (a),18	**69.7**	77.1
Deferred tax liabilities	22	**33.9**	19.4
Total non-current liabilities		**1,318.8**	757.1
Current liabilities			
Trade and other payables	17 (a), (b)	**132.5**	115.5
Lease liabilities	17 (a),18	**11.9**	6.1
Derivative financial liabilities	17 (a), (g)	**1.6**	13.2
Consolidated CLO liabilities*	17 (a), (e)	**14.9**	2.6
Consolidated CLO purchases awaiting settlement*	17 (a), (f)	**176.8**	120.6
Total current liabilities		**337.7**	258.0
Total liabilities		**1,656.5**	1,015.1
Net assets		**721.2**	772.7
Equity			
Share capital	21, 23 (a)	**0.1**	0.1
Share premium	21, 23 (a)	**289.8**	289.8
Retained earnings		**418.7**	473.7
Other reserves**	21, 23 (c)	**12.6**	9.1
Total equity		**721.2**	772.7

* Details of the Group's interest in consolidated Collateralised Loan Obligations ("CLOs") are included in note 16 (d). The equity holders' exposure in the consolidated CLOs is £81.1m at 31 December 2023 (2022: £45.2m). The Group's investment in CLOs which are not consolidated is £15.2m (2022: £15.1m) and are included within fair value of fund investments. A non-statutory Consolidated Statement of Financial Position, excluding consolidated CLOs is presented on page 194.

** The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

The financial statements of Bridgepoint Group plc (company registration number: 11443992), which include the notes, were approved and authorised by the Board of Directors on 20 March 2024 and were signed on its behalf by:

A M Jones
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December

	Note	Share capital £ m	Share premium £ m	Other reserves* £ m	Retained earnings £ m	Total equity £ m
At 1 January 2023		0.1	289.8	9.1	473.7	772.7
Profit for the year		–	–	–	70.7	70.7
Other comprehensive income		–	–	4.2	(2.2)	2.0
Total comprehensive income		–	–	4.2	68.5	72.7
Vested share-based payments	23 (c)	–	–	(4.7)	4.7	–
Share-based payments	6 (a)	–	–	4.0	–	4.0
Share buyback	23 (c)	–	–	–	(60.2)	(60.2)
Dividends	24	–	–	–	(68.0)	(68.0)
At 31 December 2023		0.1	289.8	12.6	418.7	721.2

	Note	Share capital £ m	Share premium £ m	Other reserves* £ m	Retained earnings £ m	Total equity £ m
At 1 January 2022		0.1	289.8	13.8	412.6	716.3
Profit for the year		–	–	–	120.6	120.6
Other comprehensive loss		–	–	(5.1)	3.3	(1.8)
Total comprehensive income		–	–	(5.1)	123.9	118.8
Share-based payments	6 (a)	–	–	0.4	–	0.4
Dividends	24	–	–	–	(62.8)	(62.8)
At 31 December 2022		0.1	289.8	9.1	473.7	772.7

* The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

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

Consolidated Statement of Cash Flows

for the year ended 31 December

	Note	2023 £ m	2022 £ m
Cash flows from operating activities			
Cash generated from operations	25 (a)	99.7	35.6
Tax paid		(4.7)	(1.7)
Net cash inflow from operating activities		95.0	33.9
Cash flows from investing activities			
Investment in term deposits with original maturities of more than three months	16 (g)	100.0	(100.0)
Receipts from investments (non-CLO)		83.6	74.3
Purchase of investments (non-CLO)		(46.9)	(41.2)
Purchase of other investments (non-CLO)	16 (c)	(7.5)	–
Interest received (non-CLO)		8.5	3.3
Payment for foreign exchange option premium		(3.8)	–
Investments in non-consolidated CLOs		–	(8.7)
Cash acquired on consolidation of intermediate fund holding entities		–	1.2
Receipts from investments (consolidated CLOs)		302.0	156.9
Purchase of investments (consolidated CLOs)		(751.9)	(166.1)
Cash movements from the consolidated CLOs		–	45.6
Payments for property, plant and equipment and intangible assets	13	(4.0)	(22.6)
Net cash outflow from investing activities		(320.0)	(57.3)
Cash flows from financing activities			
IPO costs		–	(1.8)
Dividends paid to shareholders of the Company	24	(68.0)	(62.8)
Share buyback	23 (c)	(60.2)	–
Drawings from related party investors in intermediate fund holding entities		1.2	3.8
Principal elements of lease payments		(6.6)	(4.1)
Drawn funding (consolidated CLOs)		148.7	–
Repayment of CLO borrowings (consolidated CLOs)		(258.5)	(15.3)
Cash from/(paid to) CLO investors (consolidated CLOs)		576.2	(1.7)
Interest paid (non-CLO)		(7.2)	(4.7)
Net cash inflow/(outflow) from financing activities		325.6	(86.6)
Net increase/(decrease) in cash and cash equivalents		100.6	(110.0)
Total cash and cash equivalents at the beginning of the year		220.6	327.3
Effect of exchange rate changes on cash and cash equivalents		(6.4)	3.3
Total cash and cash equivalents at the end of year		314.8	220.6
Cash and cash equivalents (for use within the Group)	16 (g)	238.8	196.0
Consolidated CLO cash (restricted for use within relevant CLO)	16 (g)	76.0	24.6
Total cash and cash equivalents at the end of year		314.8	220.6

1. The Consolidated Statement of Cash Flows includes the cash flows of consolidated CLOs. A non-statutory Consolidated Statement of Cash Flows excluding the impact of consolidating CLOs, which has not been audited, is included on page 195.

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

Company Statement of Financial Position

as at 31 December

	Note	2023 £ m	2022 £ m
Assets			
Non-current assets			
Investments in subsidiaries and other Group affiliates	28	**1,026.9**	1,023.0
Deferred tax assets	22	**–**	0.4
Total non-current assets		**1,026.9**	1,023.4
Current assets			
Trade and other receivables	16 (a), (f)	**8.4**	20.3
Cash and cash equivalents	16 (a), (g)	**139.7**	114.0
Derivative financial assets	16 (a), (e)	**3.9**	–
Term deposits with original maturities of more than three months	16 (a), (g)	**–**	50.0
Total current assets		**152.0**	184.3
Total assets		**1,178.9**	1,207.7
Liabilities			
Current liabilities			
Trade and other payables	17 (a), (b)	**131.7**	1.1
Total liabilities		**131.7**	1.1
Net assets		**1,047.2**	1,206.6
Equity			
Share capital	23 (a)	**0.1**	0.1
Share premium	23 (a)	**289.8**	289.8
Retained earnings		**182.9**	341.7
Other reserves*	23 (c)	**574.4**	575.0
Total equity		**1,047.2**	1,206.6

* The Company has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

The Company's total loss for the year was £35.3m (2022: profit of £2.9m), reflecting the exceptional transaction costs associated with the ECP acquisition. Details of exceptional items are included in note 8 on page 152.

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

Company Statement of Changes in Equity

for the year ended 31 December

	Note	Share capital £ m	Share premium £ m	Other reserves* £ m	Retained earnings £ m	Total equity £ m
At 1 January 2023		0.1	289.8	575.0	341.7	1,206.6
Loss for the year		–	–	–	(35.3)	(35.3)
Other comprehensive income	20 (b)	–	–	0.1	–	0.1
Total comprehensive loss		–	–	0.1	(35.3)	(35.2)
Share-based payments	6 (a)	–	–	4.0	–	4.0
Vested share-based payments	23 (c)	–	–	(4.7)	4.7	–
Share buyback	23 (c)	–	–	–	(60.2)	(60.2)
Dividends	24	–	–	–	(68.0)	(68.0)
At 31 December 2023		0.1	289.8	574.4	182.9	1,047.2

	Note	Share capital £ m	Share premium £ m	Other reserves* £ m	Retained earnings £ m	Total equity £ m
At 1 January 2022		0.1	289.8	574.6	401.6	1,266.1
Profit for the year		–	–	–	2.9	2.9
Other comprehensive income		–	–	–	–	–
Total comprehensive income		–	–	–	2.9	2.9
Share-based payments	6 (a)	–	–	0.4	–	0.4
Dividends	24	–	–	–	(62.8)	(62.8)
At 31 December 2022		0.1	289.8	575.0	341.7	1,206.6

* The Company has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

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

Company Statement of Cash Flows

for the year ended 31 December

	Note	2023 £ m	2022 £ m
Cash flows from operating activities			
Cash generated from operations	25	**107.2**	66.3
Net cash inflow from operating activities		**107.2**	66.3
Cash flows from investing activities			
Investment in term deposits with original maturities of more than three months	16 (g)	**50.0**	(50.0)
Interest received (non-CLO)		**4.7**	1.5
Payment for foreign exchange option premium		**(3.8)**	–
Net cash inflow/(outflow) from investing activities		**50.9**	(48.5)
Cash flows from financing activities			
Dividends paid to shareholders of the Company	24	**(68.0)**	(62.8)
Share buy-back	23 (c)	**(60.2)**	–
Interest paid		**(1.0)**	
Net cash (outflow) from financing activities		**(129.2)**	(62.8)
Net increase/(decrease) in cash and cash equivalents		**28.9**	(45.0)
Cash and cash equivalents at the beginning of the year		**114.0**	159.0
Effect of exchange rate changes on cash and cash equivalents		**(3.2)**	–
Cash and cash equivalents at the end of year	16 (g)	**139.7**	114.0

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

Notes to the consolidated and Company financial statements

1 General information and basis of preparation

General information

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

Basis of preparation

The consolidated financial statements for the year ended 31 December 2023 comprise the financial statements of the Group and the Company.

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

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

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

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

Adoption of new and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2023

The following new and amended standards do not have a material impact on the Group or Company's financial statements:

International accounting standards and interpretations	Effective date
Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting Policies"	1 January 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	1 January 2023
IFRS 17 "Insurance Contracts"	1 January 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	1 January 2023
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	23 May 2023

Standards, interpretations and amendments to published standards which are not yet effective

New and amended standards that have been issued, but are not yet effective, up to the date of the Group's financial statements are disclosed below. The Group plans to adopt these, if applicable, when they become effective. The following do not have a material impact on the Group or Company's financial statements:

International accounting standards and interpretations	Effective date
Amendments to IFRS 16 "Leases": lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 1: non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024

Changes to comparative period financial information

The presentation of foreign exchange gains and losses has been changed in the Consolidated Statement of Profit or Loss as it primarily relates to non-operating activities. As a result, the comparative information for the affected line items for the year ended 31 December 2022 has been restated to reclassify foreign exchange gains of £1.1m into finance and other income. The restatement also impacts the comparative period EBITDA and FRE metrics throughout the annual report. There is no impact on net profit in either year.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for a period of at least 12 months from the date of issue of these financial statements. In forming this conclusion the Directors have assessed the business risks, financial position and resources of both the Group and Company. Further detail is set out within the viability and going concern statement on pages 65 to 67.

Company financial statements
As permitted by section 408 of the Companies Act 2006, the Company Statement of Profit or Loss and the Statement of Comprehensive Income are not presented as part of these financial statements. The Company's loss for the year amounted to £35.3m (2022: profit of £2.9m).

2 Accounting policies

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

Assessment of control
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.

(b) Foreign currencies

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

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

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Notes to the consolidated and Company financial statements *continued*

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the applicable foreign currency exchange rate on the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate on the date of the transaction.

Foreign operations

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

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

(c) Operating income

Operating income primarily comprises management and other fees, carried interest income and investment income 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.

Investment income

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

Other operating income

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

It also includes income earned from other investments including, but not limited to, loans made to fund portfolio companies. Interest income is accrued on the principal amount of the loans based on the contractual interest rate.

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 current or 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 aligned to the investment period of the fund which is between three and five years for private equity funds.

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 (f).

(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

The Group enters into both equity-settled and cash-settled share-based payment arrangements with certain employees as compensation for the provision of their services.

1) Equity-settled share-based payments

The cost of equity-settled share-based payments with employees is measured by reference to the fair value at the date at which the awards are granted and is recognised as an expense 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.

In valuing equity-settled transactions, no account is taken of any non-market based vesting conditions and no expense or investment is recognised for awards that do not ultimately vest as a result of a failure to satisfy a non-market based vesting condition.

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.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to retained earnings in equity.

2) Cash-settled share-based payments

The cost of cash-settled transactions is measured at fair value. Fair value is estimated initially at the grant date and at each balance sheet date thereafter until the awards are settled. Market based performance conditions are taken into account when determining fair value. At each balance sheet date, the liability recognised is based on the fair value of outstanding awards (ignoring non-market based vesting conditions), along with any employment tax to be incurred by the Group, at the balance sheet date, the period that fell prior to the balance sheet date and management's estimate of the likelihood and extent of non-market based vesting conditions being achieved.

Changes in the carrying amount of the liability are recognised in the Consolidated Statement of Profit or Loss for the period.

Notes to the consolidated and Company financial statements *continued*

(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 from within EBITDA exceptional items and employee share-based payments granted to a targeted group of employees to increase employee ownership in the Group post-IPO.

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) Leases

Group as lessee

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 Group's incremental borrowing rate ("IBR") as the discount rate as the implicit rate is not readily determinable for the rented office premises. The IBR reflects the rate that the Group 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.

The lease liability is subsequently measured at amortised cost using the effective interest method. Lease payments due within the next 12 months are recognised within current liabilities. Payments due after 12 months are recognised within non-current liabilities.

Right-of-use 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. 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.

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.

(h) Finance and other income and expense

Finance and other income comprises interest earned on cash and term deposits, finance income on sublease agreements and amounts receivable from related party investors, foreign exchange gains and the impact of the remeasurement of the deferred contingent consideration.

Finance and other expenses comprise interest on interest-bearing liabilities, finance expenses on lease liabilities, foreign exchange losses and amounts due to related party investors.

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.

(i) 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 Consolidated and Company 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.

(j) 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 in other comprehensive income or 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.

(k) 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 to a residual value 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 estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the consolidated and Company financial statements *continued*

(l) Intangible assets

Customer relationship intangible assets

Customer relationship intangible assets acquired from a business combination are initially recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following the initial recognition, intangible assets are carried 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 up to 7 years. The amortisation is included within "Depreciation and amortisation expense" in the Consolidated Statement of Profit or Loss.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software recognised as an asset is carried at cost less accumulated amortisation and impairment losses.

Software-as-a-Service ("SaaS") contracts are only classified as intangible assets when the recognition criteria are fulfilled; otherwise they are classified as service contracts, for which costs are expensed as incurred.

Capitalised computer software is amortised over its estimated useful economic lives up to 5 years.

(m) Business combinations and goodwill

Business combinations 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.

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 Consolidated 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 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 remaining 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.

(n) Financial instruments

Financial assets

The Group's financial assets consist of fund investments, investments made by Collateralised Loan Obligations ("CLOs") consolidated by the Group, derivative financial instruments, other investments, accounts receivable and other receivables, and cash and cash equivalents.

The Company's financial assets consist of accounts receivable and other receivables, derivative financial instruments, cash and cash equivalents.

1) Recognition and measurement
A financial asset is recognised when the Group or Company becomes party to the contractual provisions of the instrument, which is generally on trade date.

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

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

2) Fair value through profit or loss
The Group's fund investments and the majority of the consolidated CLO assets are measured at fair value through profit or loss as such assets are held for investment returns. Gains or losses arising from changes in fair value are recognised through fair value remeasurement of investments within the Consolidated Statement of Profit or Loss along with interest received on the consolidated CLO assets. Financial assets at fair value through profit or loss are recognised when the Group enters into contracts with counterparties.

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. The accounting policy for derivative financial instruments is further discussed in the derivative instruments and hedge accounting section below. 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.

3) Amortised cost
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. Receivables due in more 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.

Amounts receivable for sales of consolidated CLO assets awaiting settlement are measured at amortised cost and recognised at the point at which the CLO has a contractual right to exchange cash.

The Group accounts for regular way amortised cost financial instruments using trade date accounting.

Cash and cash equivalents and term deposits with original maturities of more than three months are measured at amortised cost.

4) 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 (including lease receivables) the Group and Company apply the simplified approach and the practical expedient permitted by IFRS 9 "Financial Instruments". The allowance is based on historic experience of collection rates over the expected life of trade receivables, adjusted for forward looking factors specific to each counterparty and the economic environment at large, to create an expected loss matrix.

5) 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.

Notes to the consolidated and Company financial statements *continued*

Financial liabilities

1) Fair value through profit or loss
Derivative financial liabilities are initially recognised and subsequently measured at fair value at each reporting date.

The majority of 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 remeasurement 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 the consolidated CLOs is not recognised in other comprehensive income as the effect would create an accounting mismatch in profit or loss.

Deferred contingent consideration payable relating to business combinations is measured at fair value through profit or loss with gains or losses from fair value remeasurement recognised in finance and other income.

CLO repurchase agreements and 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.

2) Amortised cost
Borrowings are initially recognised as the amount of cash received from the lender, less separately incurred transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Amounts payable for purchases of consolidated CLO assets awaiting settlement are measured at amortised cost and recognised at the point at which the CLO has a contractual obligation to exchange cash.

3) Derecognition
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

For derivatives designated as a hedging instrument in cash flow hedges, during the hedging relationship the effective portion of the fair value movements on the hedging instrument is recognised in other comprehensive income and within other reserves within equity. Any ineffective portion is recognised immediately in profit or loss as a gain or loss within finance and other income or expenses. If the hedged item does not lead to the recognition of a non-financial asset or liability, accumulated amounts recognised in equity are reclassified to profit or loss when the hedged future cash flows affect profit or loss. If the hedged item subsequently results in the recognition of a non-financial asset or liability, the accumulated amounts in equity are removed from equity and incorporated directly as a basis adjustment to the carrying amount.

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.

(o) Investment in subsidiaries

Investments in subsidiaries in the Company Statement of Financial Position are recorded at cost less provision for impairments. All transactions between the Company and its subsidiary undertakings are classified as related party transactions for the Company accounts and are eliminated on consolidation for the Group.

(p) Investments in associates

Associates are entities such as funds or carried interest partnerships 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.

The investments in associates are designated at fair value through profit or loss. The investments are recorded at fair value of fund investment or carried interest receivable within the Group Consolidated Statement of Financial Position. Any gains or losses are recognised within fair value remeasurement of investments in the Consolidated Statement of Profit or Loss.

(q) Cash and cash equivalents
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 with original maturities of three months are not included in cash equivalents and are presented separately on the Consolidated and Company Statement of Financial Position.

(r) 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, if relevant, approved by the shareholders. These amounts are recognised in the Statement of Changes in Equity.

(s) 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 shares of the Company from employees who have left the employment of the Group or for other reasons. The special purpose vehicles include Atlantic SAV Limited, Atlantic SAV 2 Limited and the Bridgepoint Group plc Employee Benefit Trust. These entities are aggregated together within the financial statements of the Company and are consolidated within the Group financial statements.

Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. They are recognised as a deduction from retained earnings.

When shares vest or are cancelled, they are transferred from own shares to the retained earnings reserve 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 that 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.

Bridgepoint funds are not consolidated into the results of the Group.

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 that 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 the equity tranches.

Notes to the consolidated and Company financial statements *continued*

The assets and liabilities of the CLO are held within separate legal entities and, as a result, the liabilities of the CLO are non-recourse to the Group. The consolidation of the CLO results in 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 or net assets. Details of the assets and liabilities are included in notes 16 and 17 and a non-statutory and unaudited Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows excluding the consolidation of CLOs is included on pages 194 and 195 respectively.

Name of CLOs	Bridgepoint interest in the subordinated notes	Bridgepoint share of CLO	Consolidation treatment at YE23	Nature of the entity
Bridgepoint CLO 1 DAC	55.2%	5.0%	Consolidated	Subordinated notes in the residual class
Bridgepoint CLO 2 DAC	5.0%	5.0%	Not consolidated	Subordinated notes in the residual class
Bridgepoint CLO 3 DAC	51.0%	8.9%	Consolidated	Subordinated notes in the residual class
Bridgepoint CLO IV DAC	61.0%	7.0%	Consolidated	Subordinated notes in the residual class
Bridgepoint CLO V DAC	51.8%	5.1%	Consolidated	Subordinated notes in the residual class
Bridgepoint CLO VI DAC	50.0%	50.0%	Consolidated	Warehouse entity

The Group consolidates Bridgepoint CLO 1 DAC ("CLO 1"), Bridgepoint CLO 3 DAC ("CLO 3"), Bridgepoint CLO IV DAC ("CLO 4") and Bridgepoint CLO V DAC ("CLO 5") 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, CLO 3, CLO 4 and CLO 5 and the Directors have therefore concluded that the Group acts as principal and should consolidate. The construction of Bridgepoint CLO VI DAC ("CLO 6") commenced during the year and remained in warehousing as at 31 December 2023. As the Group held a majority interest in the warehouse equity, the Group also fully consolidates CLO 6.

Bridgepoint CLO 2 DAC ("CLO 2") is not consolidated in the financial statements of the Group at 31 December 2023 as the Group's exposure to variable returns is only 5% of the subordinated notes.

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 ("CIP"), 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 contractual nature of the relationships between the relevant fund, the CIP and the CIP participants. The purpose and design of the CIP and the carry rights in the fund are generally determined at the outset by the fund's limited partnership agreement ("LPA") which requires investor agreement and incentivises individuals to enhance performance of the underlying fund in line with investor expectations.

The Group has limited power over the Adjudication Committees of the CIP, which makes decisions about allocation of the carried interest, but these powers do not give the Group control.

In addition, the Directors have also considered the variability of returns of the CIPs. The variable returns are shared between the carried interest participants and the Group is exposed to limited variable returns of below 50%.

The Directors concluded that the Group does not control the CIP because of the predetermined contractual nature of the CIP, the Group's limited powers over the Adjudication Committees and limited exposure to the variable returns of the CIP. However, when the Group has a share of 20% or more of the rights to the carried interest, the Group is considered to have significant influence and in this case the CIP is accounted for as an associate. Details of the associates are set out within note 28 (d).

Consolidation of employee share partnership

On listing, the founder employee shareholders created a separate ring-fenced vehicle, Burgundy Investments Holdings LP (the "Burgundy Partnership"). The Burgundy Partnership is a pool of assets, comprising the Company's shares. 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 allocation to current and future partners in the business, as a means of allowing them to build a meaningful long-term shareholding in Bridgepoint and reflect the opportunities that previous partners were offered.

The existing employee shareholders prior to listing, and certain 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. As such, the Group does not have power over the allocation of the points and to affect those returns through its power.

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 have power over the Burgundy Partnership and no exposure to variable returns from its involvement with the Burgundy partnership, the Directors 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 constraints on estimating the revenue are incorporated through the application of discounts of 15% to 40% (2022: 30% to 50%) to the unrealised fair values of investments where the cumulative value of the distributions to investors and unrealised fair value of investments of a fund exceeds the relevant carried interest hurdle (being the contractual minimum return for fund investors).

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 stage and maturity profile of each fund, and therefore recognises the de-risking of the income over time, 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. Reasons for a higher discount may include where the fund has not yet completed its construction, has not yet returned its original capital commitments and there is the potential for the hurdle to grow further, or there is a higher level of perceived risk (fund specific or macro-economic). Reasons for a lower discount include where a fund has returned its capital commitments and the hurdle has stopped or where the fund has already started to pay carry. The levels of discounts applied are reassessed annually.

The weighted average discount at 31 December 2023 to the notional carried interest due to the Group based on unrealised fair value of investments in relevant funds is 51% (2022: 62%) resulting in a carried interest receivable of £67.3m (2022: £42.0m). If the same weighted average discount of 62% from 2022 had been applied to the notional carried interest receivable at 31 December 2023, the carried interest receivable asset would be £53.0m.

If the average discount was to increase by 10% this would reduce carried interest income by £13.2m. If the average discount was to decrease by 10% this would increase carried interest income by £13.2m.

Notes to the consolidated and Company financial statements *continued*

Valuation of fund investments at fair value
Fund investments at fair value consist of investments in private equity and credit funds. The investments are fair valued using the net asset value of each fund, determined by the fund manager. These funds are invested into direct and indirect equity and debt investments.

Portfolio assets within each fund are stated at fair value as determined in good faith by the fund manager in accordance with the terms of the LPA of each fund and the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") and are reviewed and approved by the relevant Bridgepoint Valuation Committee. The valuations provided by the fund manager typically reflect the fair value of the Group's proportionate share of the 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 held by the funds. This comprises valuation techniques such as market comparable companies and multiples. 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 multiples 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 multiples 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 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 fund 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. Further narrative on how ESG impacts our investment process can be found in the Strategic Report on pages 42 to 47.

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 (d) and (e).

Valuation of CLO assets and liabilities
The consolidated CLO assets consisting of loans 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.

The consolidated CLO liabilities consisting of the notes issued to third-party investors 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 are adjusted in order to match the value of the asset portfolio, with any adjustment applied to the note liabilities in order of ascending seniority.

The Group's investments in CLO notes of consolidated CLO vehicles are eliminated based on the valuation of the investments as determined by the discounted cash flow models as described above. A sensitivity analysis has been included within note 19 (e).

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 being 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 2024 to 2028 (2022: 2023 to 2027), including new fundraising, and a pre-tax discount rate of 16.1% (2022: 15.0%), 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 Private 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 Private Credit. The operations of both business segments consist of providing investment management services to the relevant 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.

Segmental income and profit before tax analysis

The Executive Directors assess the operating segments based on the line items below, primarily on operating income and underlying EBITDA. The EBITDA for each segment, together with depreciation and amortisation and net finance and other income or expenses, forms profit before tax. Depreciation, finance and other income, finance and other expenses, exceptional items and the share-based payment expenses excluded from underlying EBITDA are not allocated to operating segments and are included in the Group total.

Notes to the consolidated and Company financial statements *continued*

Group

Year ended 31 December 2023	Private Equity £ m	Private Credit £ m	Central £ m	Total Core £ m	Total Other £ m	Total Group £ m
Management and other fees	205.0	56.5	3.8	265.3	–	265.3
Carried interest	30.0	–	–	30.0	–	30.0
Fair value remeasurement of investments	17.3	8.0	–	25.3	–	25.3
Other operating income	0.2	–	–	0.2	0.8	1.0
Total operating income	252.5	64.5	3.8	320.8	0.8	321.6
Personnel expenses	(69.3)	(21.3)	(36.0)	(126.6)	(1.0)	(127.6)
Other operating expenses	(18.3)	(8.8)	(18.0)	(45.1)	(0.1)	(45.2)
Underlying EBITDA (excluding exceptional expenses and certain share-based payment expenses)	164.9	34.4	(50.2)	149.1	(0.3)	148.8
Exceptional expenses						(47.7)
Certain excluded share-based payment expenses						(4.0)
EBITDA						97.1
Depreciation and amortisation						(18.7)
Finance and other income and expenses						7.6
Profit before tax						86.0

Group

Year ended 31 December 2022	Private Equity £ m	(Restated) Private Credit £ m	(Restated) Central £ m	(Restated) 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)
Underlying EBITDA* (excluding exceptional expenses)	160.5	29.8	(50.6)	139.7	(0.5)	139.2
Exceptional expenses						(3.2)
EBITDA*						136.0
Depreciation and amortisation						(18.3)
Finance and other income and expenses*						9.7
Profit before tax						127.4

* 2022 finance and other income and expenses, EBITDA and Underlying EBITDA have been restated to include or exclude non-operating foreign exchange gains and losses.

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 in identifying and supporting portfolio companies which are 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, carried interest receivable and other investments, which can be split between Private Equity and Private Credit (further split between investments attributable to the Group and to third party investors).

	Group	
	2023 £ m	2022 £ m
Investments:		
Private Equity	**260.9**	241.3
Private Equity - other investments	**7.5**	–
Private Credit (assets attributable to the Group)	**121.6**	76.9
Private Credit (CLO assets attributable to third-party investors)	**1,267.7**	696.1
Total investments	**1,657.7**	1,014.3
Carried interest receivable:		
Private Equity	**64.7**	39.4
Private Credit	**2.6**	2.6
Total carried interest receivable	**67.3**	42.0

5 Operating income

Operating income primarily comprises management and other fees, carried interest income and investment income 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	
	2023 £ m	2022 £ m
Management and other fees before settlement of foreign exchange hedges	**264.2**	239.1
Settlement of foreign exchange hedges	**1.1**	2.4
Total management and other fees	**265.3**	241.5

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 investments 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 15% to 50% to the fair value of the fund investments and the later recognition of carried interest relating to credit funds.

A sensitivity analysis of the average discount rate on the carried interest income is included in note 3 (b).

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

Notes to the consolidated and Company financial statements *continued*

Fair value remeasurement of investments

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

Fair value remeasurement of investments is presented net of the profit or loss impact of the remeasurement of foreign exchange hedging used to limit the volatility of foreign exchange on investment income earned in euros.

	Group	
	2023 £ m	2022 £ m
Fair value remeasurement of investments before remeasurement of foreign exchange hedges	23.8	47.0
Remeasurement of foreign exchange hedges	1.5	(6.3)
Fair value remeasurement of investments	**25.3**	40.7

Fair value remeasurement of investments 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	
	2023 £ m	2022 £ m
CLO investment income	66.7	14.9
CLO investment expense	(58.5)	(13.0)
CLO investment income, net	**8.2**	1.9

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).

6 Personnel expenses

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

	Group	
	2023 £ m	2022 £ m
Wages and bonuses	95.7	97.6
Social security	19.2	16.1
Pensions	1.9	2.0
Share-based payments	4.5	0.4
Other employee expenses	11.2	10.8
Total personnel expenses	**132.5**	126.9

Total personnel expenses include £0.9m (2022: £1.1m) of exceptional expenses, and accordingly are excluded from the calculation of underlying profitability measures. See note 8 for further details.

a) Share-based payments

The total charge to the Consolidated Statement of Profit or Loss for the year was £4.5m (2022: £0.4m) and this was credited to the share-based payments reserve in equity for an equity-settled award or recognised as a liability for a cash-settled award. £4.0m of the total share-based payment expenses are excluded from underlying metrics for the reasons explained in the APMs definitions on page 51.

A3 share award

In June 2021, the Company issued A3 ordinary shares of £0.01 nominal value to certain employees for consideration of £1.50 per share. The A3 shares would vest on the fifth anniversary of their issue provided that the shareholder remained an employee throughout this period. As part of the Company's share reorganisation, the A3 shares were converted into ordinary shares. The fair value of the share issued was calculated as £3.96 per share as was determined by a third-party valuation. The expenses relating to the A3 shares are included in underlying profitability measures.

	A3 Share Award		A3 Share Award (£ per share)	
Group and Company	2023	2022	2023	2022
Opening	528,975	602,000	3.96	3.96
Vested	(56,550)	(60,200)	3.96	3.96
Forfeited	(32,025)	(12,825)	3.96	3.96
Outstanding at year end	440,400	528,975	3.96	3.96

Long-term incentive plans

Awards under new long-term incentive plan ("LTIP") were granted to qualifying employees on 31 March 2023. The total fair value of the awards on the grant date was estimated at £5.6m. The Group will settle the awards, vesting over the period 30 June 2023 to 31 March 2025, either in the Company's shares or with an equivalent cash payment where local laws restrict the grant of shares in foreign corporations, with no consideration paid by the participants. As the LTIP awards vest subject to the achievement of certain service conditions, namely continued employment in the Group, they are accounted for as either equity-settled or cash-settled share-based payment transactions under the Group's accounting policy in line with IFRS 2 "Share-based Payment". The scheme was implemented to increase employee ownership in the Group for a targeted group of employees post-IPO. The awards are not considered an alternative to cash-based compensation, are not included in the cost-base when considering operating segment performance and will cease to be a reconciling item once the awards issued as part of the strategy are fully vested.

	Number of shares		Weighted average fair value per share granted (£)	
Group and Company	2023	2022	2023	2022
Rights outstanding at beginning of the period	–	–	N/A	N/A
Granted	2,619,773	–	2.15	–
Granted - dividend equivalents	75,571	–	2.17	–
Forfeited	(91,298)	–	2.17	–
Forfeited - dividend equivalents	(1,225)	–	2.17	–
Vested	(730,302)	–	2.17	–
Vested - dividend equivalents	(13,171)	–	2.17	–
Rights outstanding (unvested) at the end of the period	1,859,348	–	2.14	–

Restricted Share Plan

On 31 March 2023, a Director of the Company was granted a conditional share award of 114,953 shares at a value of £2.17 per share, with total value £250,000, vesting on 31 March 2026. This was in addition to an award of the same value made on 31 March 2022. The restricted share plan is a constituent part of the total compensation for directors of the Company and so is considered an alternative to cash-based compensation. As such, the cost for the year of £0.2m is included in underlying profitability measures.

b) 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	
	2023 No.	2022 No.
UK	226	221
Other	152	145
Total	378	366

The Company has five employees (2022: four).

Notes to the consolidated and Company financial statements *continued*

7 Other operating expenses

Other operating expenses include expenditure on IT, travel and legal and professional fees. Other operating expenses also include fees paid to the auditors for the audit of the Group and relevant subsidiary financial statements and other fees for other services.

In 2023, exceptional expenses of £46.8m are included in the Group's other operating expenses. Further details provided in note 8 (b).

Expenditure relating to low-value asset leases is required to be disclosed separately and is 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. The table below sets out fees earned by Mazars LLP in relation to the year ended 31 December 2023.

	Group	
	2023 £ m	2022 £ m
Audit fees		
Fees payable to the external auditor for the audit of the Company and the consolidated financial statements	**0.5**	0.5
Fees payable to the external auditor for the audit of the accounts of the Company's consolidated subsidiaries	**0.9**	0.9
Total audit fees	**1.4**	1.4
Non-audit fees		
Audit-related assurance services	**0.2**	0.2
Other non-audit services	**0.3**	–
Total non-audit fees	**0.5**	0.2
Total auditor's remuneration	**1.9**	1.6

b) Low-value asset leases

	Group	
	2023 £ m	2022 £ m
Expense relating to low-value asset leases		
Low-value asset leases	**0.4**	0.3

8 Exceptional items

Exceptional items in the year ended 31 December 2023 principally relate to costs associated with the Group's acquisition of EQT Credit and costs incurred in relation to the acquisition of Energy Capital Partners Holdings LP and affiliated entities ("ECP"). Exceptional other income relates to the remeasurement and revaluation of the EQT deferred consideration payable.

	Group	
	2023 £ m	2022 £ m
Personnel expenses	**(0.9)**	(1.1)
Other operating expenses	**(46.8)**	(2.1)
Total exceptional expenses within EBITDA	**(47.7)**	(3.2)
Finance and other expenses	–	–
Total exceptional expenses	**(47.7)**	(3.2)

	Group	
	2023 £ m	2022 £ m
Finance and other income	**6.9**	13.6
Total exceptional income	**6.9**	13.6

a) Exceptional personnel expenses

In 2023 and 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 such awards were only granted once. The awards incentivise employees to align their goals with those of the business through being awarded over multiple periods, hence such expenses will continue to be recognised until 2025.

b) Exceptional other operating expenses

In 2023, exceptional other operating expenses include costs incurred in relation to the acquisition of ECP. Costs include completion fees for the sponsoring banks on the transaction, structuring and other accounting and tax advisory costs, documentation costs and costs associated with the preparation of the shareholder circular in respect of the ECP transaction and audit of the associated workstreams. Such costs would have not been incurred if no transaction had taken place and therefore have been classified as exceptional. See note 30 (a) for further details of the ECP transaction.

2022 exceptional other operating expenses relate to costs incurred in relation to other potential acquisitions.

c) Exceptional other income

Exceptional other income of £6.9m (2022: £13.6m) relates to the remeasurement and revaluation of the deferred contingent consideration payable and unwind of discount of the associated liability to EQT AB in relation to the acquisition of EQT Credit in 2020. The deferred consideration was settled on 13 September 2023 for an amount of £9.4m or €11.0m and was based on the outcome of certain fundraisings.

The deferred consideration payable was recognised upon acquisition and is considered exceptional as there are no similar contractual liabilities to EQT AB. Due to the contractual arrangement underlying the deferred consideration, there have been exceptional items related to the valuation in multiple periods.

9 Depreciation and amortisation

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

	Group	
	2023 £ m	2022 £ m
Depreciation on property, plant and equipment	**14.9**	15.3
Amortisation of intangible assets	**3.8**	3.0
Total depreciation and amortisation expense	**18.7**	18.3

The charge of £3.8m includes £3.0m amortisation of customer relationship intangible assets acquired from the acquisition of EQT Credit and £0.8m amortisation of computer software (2022: £3.0m only includes amortisation of customer relationship).

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

10 Net finance and other income or expenses

	Group	
	2023 £ m	(Restated) 2022 £ m
Interest income on term deposits	**9.0**	2.3
Finance income on subleases	**0.7**	0.6
Net foreign exchange gains	**–**	1.1
Finance income on amounts receivable from related party investors	**0.1**	–
Other income	**6.9**	13.6
Total finance and other income	**16.7**	17.6
Interest expense on bank overdrafts and borrowings	**(1.8)**	(1.3)
Interest expense on lease liabilities	**(3.5)**	(3.4)
Net foreign exchange losses	**(2.4)**	–
Finance expense on amounts payable to related party investors	**(0.4)**	(2.3)
Other expenses	**(1.0)**	(0.9)
Total finance and other expenses	**(9.1)**	(7.9)
Net finance and other income, including exceptional items	**7.6**	9.7

Notes to the consolidated and Company financial statements *continued*

a) Other income

Other income in 2023 primarily relates to the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB of £6.9m (2022: £13.6m). Further detail is included in note 8 (c).

This income is considered exceptional income, and accordingly is excluded from the calculation of underlying profitability measures.

b) Other expenses

In 2023, other expenses of £1.0m include borrowing facility fees for a new revolving credit facility which are being amortised over the three-year term and fees for an additional borrowing facility in connection with the ECP transaction which are being amortised for a year. It also includes the accelerated amortisation of a previously capitalised borrowing facility fee, which related to a pre-existing facility, and was terminated on the commencement of the new facility. Further detail is included in note 17 (c).

Other expenses of £0.9m in 2022 relate to the amortisation of a previously capitalised borrowing facility fee.

c) Finance income and expenses on amounts payable to related party investors

Finance income and expenses represent amounts due to or from related party investors in Opal Investments LP, BE VI (French) Co-Invest LP, Maple Tree VII LP and BDC IV (French) Co-Investment LP (2022: Opal Investments LP and BE VI (French) Co-Invest LP) under the relevant limited partnership agreement.

11 Tax expense

(a) Tax expense

Tax charged in the Consolidated Statement of Profit or Loss:

	Group	
	2023 £ m	2022 £ m
Current taxation		
Current tax – current year	3.2	3.4
Current tax – prior year	(0.2)	0.4
Total current tax expense	3.0	3.8
Deferred tax		
Deferred tax – current year	14.9	4.7
Deferred tax – prior year	(2.6)	(1.7)
Total deferred tax expense	12.3	3.0
Total tax expense for the year	15.3	6.8

(b) Reconciliation of tax expense

The effective tax rate for the year ended 31 December 2023 is 17.8% (2022: 5.4%). The tax on profit before tax is different to the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%) primarily due to timing differences on taxation of management fee income and tax losses carried forward in the UK due to certain forms of income that are not subject to UK corporation tax.

	Group	
	2023 £ m	2022 £ m
Profit before tax	86.0	127.4
Tax on profit before taxation at the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%)	20.2	24.2
Non-taxable and non-deductible items	11.4	(23.7)
Adjustments regarding management fee income and investments	(16.2)	2.5
Effect of foreign tax rates	(1.1)	0.2
Deferred tax not recognised	3.8	5.0
Prior year adjustment	(2.8)	(1.4)
Total tax expense for the year	15.3	6.8

(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.

	Group	
	2023 £m	2022 £m
Tax on amounts recognised in other comprehensive income	(2.2)	3.3

(d) Tax losses not recognised

The Group has carried forward losses of £487.5m (2022: £498.8m) as at 31 December 2023 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 £50.0m (2022: £33.4m) and the Company an asset of £nil (2022: £0.4m) that have been recognised where there is an expectation that the tax losses can be utilised against future profits. See note 22 for further detail on deferred tax assets recognised.

12 Earnings per share

	Group	
	2023	2022
Profit attributable to equity holders of the Company (£ m)	70.7	120.6
Weighted average number of ordinary shares for purposes of basic and diluted EPS (m)	808.5	823.3
Basic and diluted earnings per share (£)	0.09	0.15

The adjusted earnings per share on underlying profit after tax of £118.5m (2022: £113.2m) based on the number of shares in issue at 31 December 2023 is £0.15 (2022: £0.14 on underlying profit after tax of £113.2m based on the number of shares in issue at 31 December 2022).

The underlying profit after tax is calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax.

The number of ordinary shares included in the calculation of earnings per share excludes shares held by the Group itself and those subject to the ongoing share buyback programme. Further detail is included in note 23.

13 Property, plant and equipment

	Group			
	Right-of-use assets £ m	Leasehold improvements £ m	Computers, furniture and other £ m	Total £ m
Cost				
Balance at 1 January 2023	73.1	29.8	10.5	113.4
Foreign exchange	–	(0.2)	(0.1)	(0.3)
Additions	5.0	0.9	2.3	8.2
Disposals	(6.2)	(0.3)	(0.7)	(7.2)
Balance at 31 December 2023	71.9	30.2	12.0	114.1
Accumulated depreciation				
Balance at 1 January 2023	(17.6)	(4.2)	(6.1)	(27.9)
Foreign exchange	–	0.1	0.1	0.2
Depreciation	(9.6)	(3.4)	(1.9)	(14.9)
Disposals	1.2	0.3	0.7	2.2
Balance at 31 December 2023	(26.0)	(7.2)	(7.2)	(40.4)
Carrying value at 31 December 2023	45.9	23.0	4.8	73.7

Notes to the consolidated and Company financial statements *continued*

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

The Company has no plant, property or equipment at 31 December 2023 (2022: nil).

14 Goodwill and intangible assets

	Group		
	Goodwill £ m	Customer relationship asset £ m	Total £ m
Cost			
Balance at 1 January 2023	**105.1**	**21.2**	**126.3**
Balance at 31 December 2023	**105.1**	**21.2**	**126.3**
Accumulated amortisation and impairment			
Balance at 1 January 2023	–	**(6.7)**	**(6.7)**
Amortisation	–	**(3.0)**	**(3.0)**
Balance at 31 December 2023	–	**(9.7)**	**(9.7)**
Carrying value			
Balance at 1 January 2023	**105.1**	**14.5**	**119.6**
Balance at 31 December 2023	**105.1**	**11.5**	**116.6**

	Group		
	Goodwill £ m	Customer relationship asset £ m	Total £ m
Cost			
Balance at 1 January 2022	105.1	21.2	126.3
Balance at 31 December 2022	105.1	21.2	126.3
Accumulated amortisation and impairment			
Balance at 1 January 2022	–	(3.7)	(3.7)
Amortisation	–	(3.0)	(3.0)
Balance at 31 December 2022	–	(6.7)	(6.7)
Carrying value			
Balance at 1 January 2022	105.1	17.5	122.6
Balance at 31 December 2022	105.1	14.5	119.6

(a) Impairment of goodwill

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 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 2024 to 2028. 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 16.1% (2022: 15.0%), 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 1.4% (2022: 4.1%), 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 2023 significant headroom is noted, and therefore no impairment is identified (2022: nil). The Credit business would need to fall short of its projected profit margins by over 50.8% (2022: 58.5%) over the period 2024 to 2028 (2022: 2023 to 2027) for the goodwill to be impaired.

(b) Impairment of intangible assets

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. Intangible assets are also reviewed annually for indicators of impairment at each balance sheet date.

The customer relationship that is included as an intangible asset arose as part of the acquisition of EQT Credit. In assessing indication of impairment, management uses indicators such as Credit business profit margins, size of funds, level of reinvestment and attrition in new funds and the discount rate applied to the projections.

No indicators of impairment were identified in 2023.

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.

	Group	
	2023 £ m	2022 £ m
Opening balance	**42.0**	38.9
Income recognised in the year	**29.8**	23.1
Foreign exchange movements recognised as profit or loss	**(0.4)**	1.1
Foreign exchange movements recognised as other comprehensive income	**(0.1)**	0.1
Receipts of carried interest	**(4.0)**	(21.2)
Closing balance	**67.3**	42.0

The Company has no carried interest receivable.

Notes to the consolidated and Company financial statements *continued*

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 2023	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	301.4	–	–	–	301.4
Consolidated CLO assets	1,313.0	–	35.8	–	1,348.8
Trade and other receivables	–	–	124.4	17.0	141.4
Derivative financial instruments	–	6.2	–	–	6.2
Other investment	–	–	7.5	–	7.5
Cash and cash equivalents	–	–	238.8	–	238.8
Consolidated CLO cash	–	–	76.0	–	76.0
Total	1,614.4	6.2	482.5	17.0	2,120.1

	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 instruments	–	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

	Company				
As at 31 December 2023	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	–	–	8.0	0.4	8.4
Cash and cash equivalents	–	–	139.7	–	139.7
Derivative financial instruments	–	3.9	–	–	3.9
Total	–	3.9	147.7	0.4	152.0

	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	–	114.0
Term deposits with original maturities of more than three months	–	–	50.0	–	50.0
Total	–	–	184.3	–	184.3

(b) Fair value of fund investments

The investments primarily consist of loans or commitments made in relation to Bridgepoint Europe VII, VI and V, Bridgepoint Europe Portfolio IV, Bridgepoint Development Capital IV and III, and the Bridgepoint Credit Opportunities IV fund.

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	
	2023 £m	2022 £m
Opening balance	**273.0**	313.7
Additions	**36.3**	38.5
Change in fair value	**18.5**	32.9
Foreign exchange movements recognised in profit or loss	**(1.3)**	5.8
Foreign exchange movements recognised in other comprehensive income	**(5.1)**	8.2
Disposals	**(20.0)**	(126.1)
Closing balance	**301.4**	273.0

The Company has no investment in funds at 31 December 2023 (2022: nil).

(c) Other investments

Other investments include, but are not limited to, loans made to fund portfolio companies. Other investments (with the exception of certain other investments designated as fair value through profit or loss) that are held to collect contractual cash flows and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at amortised cost.

The Company has no other investments at 31 December 2023 (2022: nil).

(d) CLO assets

The balance shown includes the gross value of the assets held by CLO 1, CLO 3, CLO 4, CLO 5 and CLO 6 (2022: CLO 1, CLO 3 and CLO 4), 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	
	2023 £m	2022 £m
Consolidated CLO assets held by the Group	**1,424.8**	765.9
Consolidated CLO assets attributable to third-party investors	**(1,343.7)**	(720.7)
Group's exposure to consolidated CLO assets	**81.1**	45.2

The Company has no investments in CLO assets at 31 December 2023 (2022: nil).

Notes to the consolidated and Company financial statements *continued*

(e) Derivative financial assets

	Group 2023 £ m	Group 2022 £ m
Derivative financial assets		
Forward contracts	**2.3**	1.0
Foreign currency options	**3.9**	–
Total derivative financial assets	**6.2**	1.0

The derivative financial instruments relate to forward contracts and foreign exchange options that are used to hedge foreign exchange risk. Further detail on the hedging programme is set out in note 20 (b).

The Company has foreign exchange options of £3.9m at 31 December 2023 (2022: nil).

(f) Trade and other receivables

	Group 2023 £ m	Group 2022 £ m	Company 2023 £ m	Company 2022 £ m
Non-current				
Prepayments	**1.7**	1.6	**–**	–
Trade and other receivables	**21.5**	18.3	**–**	–
	23.2	19.9	**–**	–
Current				
Trade receivables	**17.5**	12.2	**4.7**	–
Accrued income	**20.6**	19.0	**–**	–
Prepayments	**11.4**	6.2	**–**	–
Deferred investment receipts	**–**	52.8	**–**	–
Other receivables	**68.7**	94.7	**3.7**	20.3
	118.2	184.9	**8.4**	20.3
Total trade and other receivables	**141.4**	204.8	**8.4**	20.3

There are no material differences between the above amounts for trade and other receivables and their fair value as these do not contain any significant financing components.

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 £41.2m (2022: £49.7m). Amounts receivable from portfolio companies of the funds at the end of the year were £3.8m (2022: £2.7m).

ii) Cost of acquisition

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 2023 £ m	Group 2022 £ m
Opening balance	**2.8**	0.1
Additions	**4.0**	3.6
Amortisation	**(1.9)**	(0.9)
Closing balance	**4.9**	2.8

iii) 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 2023 were £2.5m (2022: £1.4m). The finance income earned on the subleases during the year ended 31 December 2023 was £0.7m (2022: £0.6m).

The following table sets out the maturity analysis of lease receivables, showing undiscounted lease payments to be received after the reporting date.

	Group	
Lease receivables	2023 £ m	2022 £ m
Due within 1 year	**3.1**	2.5
Due between 1 and 2 years	**3.6**	2.5
Due between 2 and 3 years	**3.6**	2.5
Due between 3 and 4 years	**3.6**	2.5
Due between 4 and 5 years	**2.0**	2.5
Due after more than 5 years	**6.0**	5.2
Total undiscounted lease payments receivables	**21.9**	17.7
Unearned finance income	**(3.4)**	(2.3)
Net investment in leases	**18.5**	15.4
Current	**2.2**	2.0
Non-current	**16.3**	13.4
	18.5	15.4

The Company has no lease receivables at 31 December 2023 (2022: nil).

(g) Cash and term deposits

	Group		Company	
	2023 £ m	2022 £ m	2023 £ m	2022 £ m
Cash at bank and in hand	**67.0**	78.3	**4.7**	1.4
Money market funds	**170.9**	17.7	**135.0**	12.6
Term deposits with original maturities of less than three months	**0.9**	100.0	**–**	100.0
Total cash and cash equivalents	**238.8**	196.0	**139.7**	114.0
Term deposits with original maturities of more than three months	**–**	100.0	**–**	50.0
Consolidated CLO cash	**76.0**	24.6	**–**	–
Total cash and term deposits	**314.8**	320.6	**139.7**	164.0

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.

Notes to the consolidated and Company financial statements *continued*

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 2023	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	–	–	47.6	98.0	145.6
Other financial liabilities	50.1	–	–	–	50.1
Lease liabilities	–	–	81.6	–	81.6
Derivative financial instruments	–	1.6	–	–	1.6
Consolidated CLO liabilities	1,152.0	–	14.9	–	1,166.9
Consolidated CLO purchases awaiting settlement	–	–	176.8	–	176.8
Total	1,202.1	1.6	320.9	98.0	1,622.6

	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 instruments	–	13.2	–	–	13.2
Consolidated CLO liabilities	597.5	–	2.6	–	600.1
Consolidated CLO purchases awaiting settlement	–	–	120.6	–	120.6
Total	663.7	13.2	258.2	60.6	995.7

	Company				
As at 31 December 2023	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	–	–	112.2	19.5	131.7
Total financial liabilities	–	–	112.2	19.5	131.7

	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

(b) Trade and other payables

	Group		Company	
	2023 £ m	2022 £ m	2023 £ m	2022 £ m
Amounts due in more than one year:				
Management incentive scheme	**12.6**	12.9	**–**	–
Accrued expenses	**0.5**	0.7	**–**	–
	13.1	13.6	**–**	–
Amounts due within one year:				
Trade payables	**9.1**	1.3	**–**	–
Deferred contingent consideration payable	**–**	16.7	**–**	–
Accrued expenses	**110.9**	77.7	**25.5**	1.1
Amounts due to related parties	**–**	1.3	**106.0**	–
Social security and other taxes	**2.9**	2.8	**–**	–
Other payables	**9.6**	15.7	**0.2**	–
	132.5	115.5	**131.7**	1.1
Total trade and other payables	**145.6**	129.1	**131.7**	1.1

There are no material differences between the above amounts for trade and other payables and their fair value as these do not contain any significant financing components.

i) Deferred contingent consideration

The deferred contingent consideration was payable to EQT AB and relates to the outcome of certain fundraisings that were completed during 2023. On 13 September 2023, the Group remeasured the final liability at that point, which equated to a release of £6.9m, through the Consolidated Statement of Profit or Loss and made a final payment of £9.4m to EQT AB. Further details of the corresponding income relating to the re-measurement are included in note 8 (c).

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 2023, the expense and corresponding liability has been based upon funds raised and expected management fees which exceed the targets at that date.

iii) Accrued expenses and deferred income

Accrued expenses 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.

The accrued expenses at 31 December 2023 mainly relate to the transaction costs related to the acquisition of ECP.

iv) Other payables

Other payables include tax and other provisions.

Notes to the consolidated and Company financial statements *continued*

(c) Borrowings

On 1 June 2023, the Company entered into a new borrowing facility agreement for £200m for a period of three years. On 29 December 2023, the Company exercised an option to increase the facility by a further £50m to a total of £250m. At 31 December 2023, there were no drawn amounts on this facility (2022: nil).

On 22 September 2023, in connection with the ECP transaction, the Company entered into an additional borrowing facility agreement for £75m for one year, with the opportunity to extend by two further six-month periods. On 21 February 2024, the facility was expanded by a further £50m to a total of £125m. At 31 December 2023, there were no drawn amounts on the facility (2022: nil).

The Company has no drawn borrowings at 31 December 2023 (2022: nil).

(d) Other financial liabilities

	Group	
	2023 £ m	2022 £ m
Liabilities held at fair value through profit and loss:		
CLO repurchase agreements	**28.5**	28.1
Amount payable to related party investors in Opal Investments LP	**8.4**	10.0
Amount payable to related party investors in intermediate fund holding entities	**13.2**	11.4
Total	**50.1**	49.5

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 £12.6m (€14.6m) 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 £15.9m (€18.3m) 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 relevant limited partnership agreement, related party investors have the right to receive 15% of the residual profits, which are classified as a financial liability payable to related party investors. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

iii) Amount payable to related party investors in intermediate fund holding entities

The Group consolidates a number of limited partnerships through which some of the Group's investment in funds is held. The Group's interest only constitutes a portion of the total and therefore other financial liabilities include the fair value of the amounts due to external parties, who are related party investors, under the limited partnership agreement. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

The Company has no other financial liabilities at 31 December 2023 (2022: nil).

(e) Consolidated CLO liabilities

	Group	
	2023 £ m	2022 £ m
Liabilities of CLOs consolidated by the Group (non-current)	**1,152.0**	597.5
Liabilities of CLOs consolidated by the Group (current)	**14.9**	2.6
Total	**1,166.9**	600.1

Non-current CLO liabilities are designated as financial liabilities at fair value through profit and loss.

Consolidated CLO liabilities represent notes issued by CLOs which are consolidated by and have been originated by the Group.

(f) Consolidated CLO purchases awaiting settlement

	Group	
	2023 £ m	2022 £ m
Consolidated CLO purchases awaiting settlement	**176.8**	120.6

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	
	2023 £ m	2022 £ m
Derivative financial liabilities:		
Forward contracts	**1.6**	13.2

The derivative financial instruments 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 20 (b).

(h) Commitments

The Group's undrawn capital commitments to the Bridgepoint funds at period end are shown in the table below. Capital commitments are called over time, typically between one to five years following the entry into 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	
	2023 £ m	2022 £ m
Private equity funds	**257.0**	255.3
Credit funds	**30.3**	34.4
Total commitments	**287.3**	289.7

Notes to the consolidated and Company financial statements *continued*

18 Lease liabilities

	Group 2023 £ m	Group 2022 £ m
Lease liabilities		
Current	11.9	6.1
Non-current	69.7	77.1
Total	81.6	83.2

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 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 lease liability is 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 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. 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.

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 are approximately £3.3m (2022: £1.6m).

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 was found to be comparable. If the IBR had been 1% higher or lower, the impact on the lease liability would be:

	Group 2023 £ m	Group 2022 £ m
Increase of 1%	(2.5)	(3.0)
Decrease of 1%	2.6	3.2

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 2023 £ m	Group 2022 £ m
Interest on lease liability	3.5	3.4

The Company has no lease liabilities (2022: nil).

19 Fair value measurement

(a) Fair value hierarchy

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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table summarises the valuation of the Group's financial assets and liabilities by fair value hierarchy:

	2023				2022			
Group	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Fair value of fund investments	–	–	301.4	301.4	–	–	273.0	273.0
Consolidated CLO assets	–	1,313.0	–	1,313.0	–	726.3	–	726.3
Derivative financial assets	–	6.2	–	6.2	–	1.0	–	1.0
Total	–	1,319.2	301.4	1,620.6	–	727.3	273.0	1,000.3
Financial Liabilities								
Deferred contingent consideration payable	–	–	–	–	–	–	16.7	16.7
Other financial liabilities	–	–	50.1	50.1	–	–	49.5	49.5
Consolidated CLO liabilities	–	–	1,152.0	1,152.0	–	–	597.5	597.5
Derivative financial liabilities	–	1.6	–	1.6	–	13.2	–	13.2
Total	–	1.6	1,202.1	1,203.7	–	13.2	663.7	676.9

There have not been any transfers between levels in the fair value hierarchy during the year.

The following table summarises the valuation of the Company's financial assets and liabilities by fair value hierarchy:

	2023				2022			
Company	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial assets	–	3.9	–	3.9	–	–	–	–
Total	–	3.9	–	3.9	–	–	–	–
Financial Liabilities								
Derivative financial liabilities	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–

Notes to the consolidated and Company financial statements *continued*

(b) Reconciliation of level 3 fair value measurements of financial assets

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	Group 2023 £m	2022 £m
Level 3 financial assets at fair value through profit or loss:		
Opening balance	273.0	313.7
Additions	36.3	38.5
Change in fair value	18.5	32.9
Foreign exchange movements recognised as profit or loss	(1.3)	5.8
Foreign exchange movements recognised as other comprehensive income	(5.1)	8.2
Disposals	(20.0)	(126.1)
Transfer (to)/from level 1 or 2	–	–
Closing balance	301.4	273.0

The underlying assets in each fund consist of portfolios of controlling or minority stakes, typically in private companies, and investments in 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 (e).

(c) Reconciliation of level 3 fair value measurements of financial liabilities

The valuation methodology for valuing the consolidated CLO liabilities 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 are therefore considered level 3 financial liabilities.

Financial liabilities classified as level 3 under the fair value hierarchy consist of the deferred contingent consideration, consolidated CLO liabilities and other financial liabilities. The valuation of these liabilities is based on unobservable market data and therefore classified as level 3.

A reconciliation of level 3 fair values for CLO liabilities at fair value through profit or loss is set out in the table below.

	Group 2023 £ m	2022 £ m
Movement in CLO liabilities at fair value through profit or loss which are level 3:		
Opening balance	597.5	29.7
On acquisition	–	287.9
Repayment	(52.6)	–
Drawn	582.5	52.8
Foreign exchange movements	(14.0)	24.2
Change in fair value	38.6	(9.0)
Transfers (to)/from level 1 or 2	–	211.9
Closing balance	1,152.0	597.5

The Company does not hold any liabilities at fair value at 31 December 2023 (2022: nil).

	2023	2022
Movement in other financial liabilities at fair value through profit or loss which are level 3		
Opening balance	**21.4**	9.1
Additions	**1.3**	11.1
Change in fair value	**0.5**	0.3
Foreign exchange movements	**(0.7)**	0.9
Disposals	**(0.9)**	–
Transfers (to)/from level 1 or 2	**–**	–
Closing	**21.6**	21.4

A reconciliation is not provided for CLO repurchase agreements on the basis that the movements between 31 December 2022 and 31 December 2023 relate to remeasurement and revaluation.

A sensitivity analysis of a change in the value of CLO liabilities at fair value through profit or loss is set out in note 19 (e).

(d) Valuations

(i) Private equity fund investments:

Different valuation methodologies are used when valuing private equity fund investments:

Valuation Approach	
Earnings	The Group primarily uses an earnings approach where a set of relevant listed companies and precedent transactions are available. Earnings multiples are applied to the earnings of each portfolio company to determine the enterprise value. The most common measure of earnings is EBITDA. Earnings are adjusted for non-recurring items and run-rate adjustments to arrive at maintainable earnings. Earnings are usually obtained from portfolio company management accounts or forecast/budgeted earnings, as considered appropriate. When selecting earning multiples consideration is given to: – the original transaction price/entry multiple; – recent transactions in the same or similar instruments; – relevant comparable listed company multiples; and – exit expectations and other company specific factors. The resulting enterprise value is then adjusted to take into account the capital structure of the portfolio company, including any assets or liabilities such as cash or debt that should be included. The fund's share of the value is calculated by calculating its holding.

Notes to the consolidated and Company financial statements *continued*

(ii) Private credit fund investments:
Different valuation methodologies are used when valuing private credit fund investments.

Valuation Approach	
Amortising to par method	Where a performing loan has been originated is valued based upon its amortised cost. Provided that there are no circumstances which indicate 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).
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 which a market is active will depend on 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 anomalies or other inaccuracies in market pricing and whether there are other factors that should be considered (for example, recent transactions).
Earnings	Where a loan may be impaired an earnings basis is typically used to determine the enterprise value of the borrower, following which a waterfall approach is used to determine the value of the loan. Where there are circumstances which indicate there is risk of non-performance of the borrower, the enterprise value of the borrower will typically be determined in accordance with an earnings methodology (as described above), following which a waterfall approach is used to determine the value of the loan.
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.
Other approaches	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.

(iii) Consolidated CLO assets
The consolidated CLO assets are priced using market price where a loan is traded in the market and market prices can be obtained for use in pricing. The inputs include market price aggregation services or broker quotes where there is an active market. The extent to which a market is active 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 and whether there are other factors that should be considered (for example, recent transactions). As at 31 December 2023, 100% (2022: 100%) of the CLO fund assets were priced using market prices and classified as Level 2.

(iv) Consolidated CLO liabilities
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 Group deemed this financial liability to be Level 3.

(v) Deferred contingent considerations
The Group uses discounted cash flows to determine fair value of the deferred contingent consideration which was paid to EQT AB in relation to the acquisition of EQT Credit business. Inputs used in the calculation of the deferred consideration include estimated outcomes of certain fundraisings, minimum and maximum thresholds and payout ratio set out in the relevant sale and purchase agreement and discount rate. The Group deemed this financial liability to be Level 3.

(vi) CLO repurchase agreements
The Group is party to a sale and repurchase agreement relating to CLOs; a discounted cash flow analysis is used to determine the valuation. Unobservable inputs used in the discounted cash flow approach 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. The Group deemed this financial liability to be Level 3.

(vii) Other financial liabilities

The Group enters a limited partnership agreement with related party investors to contractually share profits from those partnerships. The liabilities are calculated using a percentage outlined within the agreement multiplied by the profit from the partnerships. The valuation is derived from underlying value of the partnerships, which is based on the unobservable market data and therefore they are therefore classified as Level 3.

Derivatives used for hedging, which are fair valued, are classified as Level 2 fair values as the inputs are observable.

Further details on estimation uncertainty in the valuation of investments is set out in note 3 (b).

(e) Valuation inputs and sensitivity analysis

The number of unique investments represents the investments that the Group indirectly invests into through its investments in private equity and credit funds. The table below sets out information about significant unobservable inputs used at 31 December 2023 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

Description	Fair value at 31 December 2023 (£m)	Fair value at 31 December 2022 (£m)	Number of unique investments	Valuation technique	Significant unobservable inputs	Range	Sensitivity	Effect on fair value at 31 December 2023 (£m)
Private equity fund investments	**260.9**	241.3	69	Market Approach	Earnings multiple	3.7x –19.5x	+10% Earnings multiple	**32.1**
					Revenue multiple	3.1x – 8.8x	–10% Earnings multiple	**(32.7)**
Other private credit fund investments	**25.3**	16.6	20	Market Approach	Earnings multiple	6.0x – 26.4x	+10% Earnings multiple	**0.2**
					Revenue multiple	4.0x – 12.6x	–10% Earnings multiple	**(0.2)**
			410	Other	n/a	n/a	n/a	**n/a**
Group's investments in CLOs that are not consolidated*	**15.2**	15.1	7	Discounted Cash Flow	Discount rate	1.8% –18.0%		
					Default rate	2.0%	Upside case**	**0.9**
					Recovery rate	35.0% – 65.0%		
					Prepayment rate	10.0% – 20.0%		
					Reinvestment price	99.0%	Downside case**	**(0.7)**
					Spread	4.5%		
Total assets	**301.4**	**273.0**						
Consolidated CLO liabilities*	**1,152.0**	597.5	30	Discounted Cash Flow	Discount rate	1.8% –18.0%		
					Default rate	2.0%	Upside case**	**23.0**
					Recovery rate	35.0% – 65.0%		
					Prepayment rate	10.0% – 20.0%		
					Reinvestment price	99.0%	Downside case**	**(18.5)**
					Spread	4.5%		
Deferred contingent consideration	**–**	16.7	n/a	Discounted Cash Flow	Payout ratio	n/a		
					Discount rate	n/a	n/a	**n/a**
CLO repurchase agreements	**28.5**	28.1	10	Discounted Cash Flow	Discount rate	1.75% – 11.0%	+10% discount rate	**0.3**
							–10% discount rate	**(0.2)**
Other financial liabilities	**21.6**	21.4	n/a	Other	Net asset value (NAV)	n/a	+10% of NAV	**2.5**
							–10% of NAV	**(2.5)**
Total liabilities	**1,202.1**	**663.7**						

* The sensitivity analysis is performed on the portfolio of notes of CLO vehicles that the Group has invested in, including £15.2m of investments in CLOs that are not consolidated (2022: £15.1m) and £81.1m of investments in CLOs that are consolidated (2022: £45.3m). The sensitivity analysis for the investments in the notes of CLOs that are consolidated impacts the value of the consolidated CLO liabilities (as these are eliminated from the overall balance) and are accordingly disclosed in this section of the table.

** The upside case is based on the key inputs used in the valuation model disclosed above, being favourably adjusted from their base value by a factor of 10%. The downside case adjusts these key inputs by a factor of 10% in the opposite direction.

Notes to the consolidated and Company financial statements *continued*

20 Financial risk management

In its activities, the Group is exposed to various financial risks: price/valuation risk, market risk (including exposure to interest rates and foreign currencies), liquidity risk and credit risk arising from financial instruments. The Group's senior management is responsible for the creation and management 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, cash and cash equivalents, lease liabilities, CLO purchases awaiting settlement and other financial liabilities.

The assets of a private equity fund are controlling or minority stakes, typically in private companies, and debt in such companies. The assets of credit funds and the consolidated CLO vehicles are loans to private companies. The financial risks relating to such investments inherently vary, based on the nature of the investments (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 number of assets, industries and geographies.

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 derivative financial instruments.

(a) Price and valuation risk

Price and valuation risk is the uncertainty about the difference between the reported value and the price that could be obtained on exit or maturity of an asset or liability. This principally relates to investments in funds, which hold portfolios of private equity and debt investments, investments held by consolidated CLOs, and notes issued by consolidated CLOs.

This uncertainty arises due to the use of unobservable inputs in the calculation of fair value, the performance and financial health of portfolio companies and, ultimately – in relation to investments in private equity – what a third party may be willing to pay for the relevant 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. Valuation methodologies together with the significant unobservable inputs applied for the Group's financial assets and liabilities are included in note 19.

The Company has no significant exposure to price/valuation risk.

(b) Foreign exchange risk

Foreign exchange 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 foreign exchange 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 pound 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 financial assets and liabilities denominated in currencies other than pound sterling, the presentational currency of the Group. Consequently, the Group is exposed to currency risk since the value of financial assets and liabilities denominated in other currencies will fluctuate due to change in exchange rate.

Hedging of euro management fees

In order to hedge euro denominated management fee income, the Group has entered into a series of forward trades and swap agreements to sell euro and buy pounds sterling at various dates in the future to reduce the currency exposure of euro denominated income to future spot rate volatility. The level of hedging is determined with reference to the amount of pound sterling denominated costs and dividends. The level of hedging provides for almost full coverage in 2024, and reducing in 2025 and 2026, 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	
	2023 £ m	2022 £ m
Nominal value of forward trades and swap agreements in pound sterling	**362.7**	294.2
Mark-to-market value at year end	**0.2**	(9.6)

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 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	
	2023 £ m	2022 £ m
Ineffective portion recognised as profit or loss	**–**	–
Effective portion recognised as other comprehensive income	**8.6**	(10.5)
Reclassified to profit or loss upon settlement of hedges	**1.3**	(5.9)

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 euro investments

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 euro . 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 euro and buy pound sterling 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 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 euro investments and borrowings at each year end is summarised below, along with a sensitivity of the impact of a 5% change in the foreign exchange rate. This analysis excludes the consolidated CLO assets, which are attributable to third-party investors.

	Group	
	2023	2022
Euro denominated investments (€m)	**400.7**	330.7
Borrowings (€m)	**–**	–
Investment hedges (€m)	**(83.3)**	(176.7)
EUR denominated investments, net (€m)	**317.4**	154.0
+/- 5% sensitivity (£m) impact on profit and net assets	**13.7**	6.8

Notes to the consolidated and Company financial statements *continued*

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	
	2023 £ m	2022 £ m
Nominal value of forward trades and swap agreements in pound sterling	74.7	156.7
Mark-to-market value at year end	0.6	(2.6)

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 foreign exchange rates will impact the fair value of derivative contracts, however an opposing movement will be seen in the hedged item.

Hedging of dollar cash consideration

On 6 September 2023, the Group announced a transaction to add ECP to the Group. As part of the transaction terms, the Group will deliver a $293m up-front cash payment to the sellers. The cash consideration is funded partly by the Group's cash resources in pound sterling and therefore the Company is exposed to foreign exchange risk until completion. In mitigation the Company is holding a certain amount of cash in dollars and has purchased foreign exchange options for the residual exposure, which give the Company, the right, but not the obligation, to sell pound sterling and purchase dollars at an agreed exchange rate on the expiry date.

The foreign exchange options have been designated as hedging instruments under IFRS 9 "Financial Instruments" and accordingly the Group uses cash flow hedge accounting.

The nominal value of the 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 and the Company	
	2023 £ m	2022 £ m
Nominal value of foreign exchange options in pound sterling	103.3	–
Mark-to-market value at year end	3.9	–

These foreign exchange options are in place to hedge foreign exchange risk to maintain the upside potential while protecting against adverse changes, and the Group uses cash flow hedge accounting as allowed and determined under IFRS 9 "Financial Instruments". The Group designates only changes in the cash flows or fair value of the cash consideration below a specified rate (a 'one-sided risk'). Only the intrinsic value of the foreign exchange options is designated in the hedging relationship and the time value of the foreign exchange options is excluded from the hedging relationship.

The change in intrinsic value of the foreign exchange options, to the extent that is effective, is recognised in other comprehensive income (OCI). As the time value is considered "aligned" time value, changes in time value of the foreign exchange options is also recognised in OCI time value. Subsequently the accumulated OCI time value and the amount deferred in the cash flow hedge reserve are moved directly as a basis adjustment in the purchase price allocation of ECP.

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 OCI time value, and amounts moved to the initial cost as a basis adjustment during the year are shown in the table below.

There was no material hedge ineffectiveness noted during the year.

	Group	
	2023 £ m	2022 £ m
Ineffective portion recognised as profit or loss	–	–
Effective portion recognised as cash flow hedge reserve in other comprehensive income	–	–
Effective portion recognised as time value in other comprehensive income	0.1	–
Reclassified as a basis adjustment	–	–

Hedge ineffectiveness could occur if there are changes in timing of payment of the hedged item, a reduction in the total amount or prices of the hedged item or a change in the credit risk of the Company or the bank counterparties to the purchased options.

The Company has no other 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 2023 the Group had no outstanding borrowings (2022: 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	
	2023 £ m (+/-)	2022 £ 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, term deposits, including deposits with banks and financial institutions, short-term receivables, lease 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.

Expected credit losses are not expected to be material and there are no financial assets that are materially impaired.

Cash and cash equivalents

The Group limits its exposure in relation to cash and cash equivalents 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).

Investments in CLOs

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 2023 was £96.3m (2022: £60.3m).

At 31 December 2023, the Group fully consolidated CLOs 1, 3, 4, 5 and 6 (2022: CLO 1, 3 and 4). The Group's interests in CLOs 1, 3, 4 and 5 comprise interests in subordinated notes which incur the first loss if there is any default within the portfolio of assets by an individual borrower.

Whilst the Group has entered into sale and repurchase agreements for CLO 2 and CLO 3, it remains contractually exposed to the performance of the 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, 4 and 5. Under the sale and repurchase agreements, the Group is subject to credit risk with the counterparty of £29.0m (2022: £29.7m), however it is holding cash collateral of £29.0m (2022: £29.7m), reducing the risk.

Investments in private equity and credit funds, including other investments

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 with funds is limited to the carrying value at 31 December 2023 which was £286.4m (2022: £257.9m).

Notes to the consolidated and Company financial statements *continued*

Trade and other receivables (including lease receivables)

Trade and other receivables are primarily amounts due from funds or amounts due from portfolio companies. The funds are managed by the Group on behalf of investors, who have made commitments to the funds. Therefore, trade and other receivables from 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 such, the Directors consider the Group's credit exposure to trade and other receivables to be low.

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 credit quality of the counterparties.

Carried interest receivable

The Group's carried interest receivable represents income expected from CIPs. The Group considers there to be a remote 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, derivative instruments, term deposits 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.

The liquidity outlook is monitored at least monthly by management and regularly reviewed by the Board.

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, including for acquisitions and for refinancing maturing debt.

At 31 December 2023, the Group has the use of £250.0m of undrawn revolving credit facility which it uses to manage liquidity. Subsequent to the year-end, the Group priced $430.0m of US private placement notes, subject to the closing of the ECP transaction and customary conditions. The proceeds will be used to provide additional resources to deliver the Group's strategic growth plans and in part will be used to refinance certain ECP debt following the ECP transaction, which is subject to a change of control process. Further detail is included in note 30 (c).

In addition, at 31 December 2023, the Group had the use of £75.0m of undrawn bridge facility which was put in place in connection with the acquisition of ECP, which was increased to £125.0m subsequent to the year-end, which is available until the closing of the new US private placement notes.

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 Group's financing arrangements are subject to financial covenants. Further detail is included in note 21.

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 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 2023	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	–	21.6	–	29.0	50.6
Derivative financial liabilities	1.2	0.4	–	–	1.6
Trade and other payables	47.6	–	–	–	47.6
Lease liabilities	15.0	14.1	38.7	25.7	93.5
Consolidated CLO liabilities	96.4	63.6	1,271.5	–	1,431.5
Consolidated CLO purchases awaiting settlement	176.8	–	–	–	176.8
	337.0	99.7	1,310.2	54.7	1,801.6

	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	9.4	13.6	39.7	34.9	97.6
Consolidated CLO liabilities	84.5	48.3	397.2	249.5	779.5
Consolidated CLO purchases awaiting settlement	120.6	–	–	–	120.6
	288.2	88.1	440.1	314.1	1,130.5

	Company				
As at 31 December 2023	Due within 1 year £ m	Due between 1 and 2 years £ m	Due within 2 and 5 years £ m	Due more than 5 years £ m	Total £ m
Trade and other payables	131.7	–	–	–	131.7

	Company				
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
Trade and other payables	1.1	–	–	–	1.1
	1.1	–	–	–	1.1

Notes to the consolidated and Company financial statements *continued*

21 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") applies to Markets in Financial Instruments Directive ("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. The Group and certain regulated subsidiaries report to the FCA on own funds, the own funds requirement and a basic liquid asset requirement.

The capital structure comprises cash and cash equivalents, borrowings and the capital and reserves of the Company. Capital and reserves comprise share capital, share premium, capital contributions, other reserves and retained earnings. These as set out below.

	Group	
	2023 £ m	2022 £ m
Cash and cash equivalents (for use within the Group)	**238.8**	196.0
Term deposits with original maturities of more than three months	**–**	100.0
Net cash	**238.8**	296.0
Share capital	**0.1**	0.1
Share premium	**289.8**	289.8
Capital redemption reserve	**0.0**	–
Share-based payment reserve	**3.0**	3.6
Cash flow hedge reserve	**0.9**	(8.9)
Foreign exchange option time value reserve	**0.1**	–
Net exchange differences reserve	**8.6**	14.4
Retained earnings	**418.7**	473.7
Equity attributable to equity holders	**721.2**	772.7

The Group's financing facilities are subject to financial covenants. The Group and the Company's borrowing facility agreements are 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 and the Company were fully compliant with regulatory capital requirements and banking covenants.

22 Deferred tax

	Group 2023 £ m	Group 2022 £ m
Deferred tax assets	**74.6**	57.9
Deferred tax liabilities	**(108.5)**	(77.3)
Net deferred tax liability	**(33.9)**	(19.4)

Deferred tax assets	Other timing differences	Management fee hedges	Losses carried forward	Total
As at 1 January 2022	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**
(Charge) to other comprehensive income	–	**(2.0)**	–	**(2.0)**
Credit to the Consolidated Statement of Profit or Loss	**2.1**	–	**16.6**	**18.7**
As at 31 December 2023	**24.6**	–	**50.0**	**74.6**

Deferred tax liabilities	Other timing differences	Management fee hedges	Management fee income and investments	Capital allowance	Total
As at 1 January 2022	(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)**
(Charge) to other comprehensive income	–	**(0.2)**	–	–	**(0.2)**
Credit/(charge) to the Consolidated Statement of Profit or Loss	**4.7**	–	**(37.4)**	**1.7**	**(31.0)**
As at 31 December 2023	**(14.3)**	**(0.2)**	**(91.0)**	**(3.0)**	**(108.5)**

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 £20.4m (2022: £20.8m) and a deferred tax liability on right-of-use assets amounting to £11.5m (2022: £13.9m). These will unwind over the period of the lease.

The Company has no deferred tax assets or liabilities (2022: deferred tax assets of £0.4m).

The deferred tax has been measured using the applicable tax rate expected at the point at which the income or cost will become taxable.

Notes to the consolidated and Company financial statements *continued*

23 Equity

(a) Share capital and premium

Allotted, called up and fully paid shares

	Company			
	2023		2022	
	No.	£	No.	£
Ordinary of £0.00005 each	**794,637,730**	**39,732**	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**	**1**	1	0.01
Total	**794,638,232**	**80,234**	823,269,276	81,664

Share capital represents the number of ordinary shares issued in the capital of the Company 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 the Company 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 171,096 ordinary shares and 501 deferred shares (2022: 886,484 ordinary shares; 501 deferred shares) within retained earnings as at 31 December 2023 at a cost of nil (2022: nil).

(c) Other reserves

The following table provides a breakdown of the reserves that are included in the Group and the Company's other reserves.

	Group		Company	
	2023 £ m	2022 £ m	2023 £ m	2022 £ m
Cash flow hedge reserve	**0.9**	(8.9)	**–**	–
Foreign exchange option time value reserve	**0.1**	–	**0.1**	–
Net exchange differences reserve	**8.6**	14.4	**–**	–
Share-based payment reserve	**3.0**	3.6	**2.9**	3.6
Merger reserve	**–**	–	**571.4**	571.4
Capital redemption reserve	**0.0**	–	**–**	–
Total	**12.6**	9.1	**574.4**	575.0

(i) 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 20 (b).

(ii) Foreign exchange option time value reserve

Foreign exchange option time value reserve represents the time value of the foreign exchange options as only the intrinsic value of the foreign exchange options is designated as the hedging instrument. Further detail is included in note 20 (b).

(iii) Net exchange differences reserve

Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange gains and losses on the translation of foreign operations.

(iv) 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.

During the year, a £4.7m transfer was made between share-based payment reserve and retained earnings which related to the full vesting of the IPO share award, A3 shares and LTIP awards.

(v) 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.

(vi) Capital redemption reserve

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 completed on 11 October 2023 with £50.0m, or 23.6m ordinary shares bought back and cancelled.

On 2 October 2023, the Company announced a further buyback programme of up to £50.0m that commenced on 12 October 2023. As at 31 December 2023, in aggregate 5.0m ordinary shares within the second buyback programme have been bought back and cancelled for £10.2m pursuant to the second share buyback programme.

24 Dividends

The Company paid a final dividend of 4.0 pence per share, which equates to £32.7m, in May 2023 in respect of the second half of 2022.

An interim dividend of 4.4 pence per share, which equates to £35.3m was paid to shareholders in September 2023.

The directors have proposed a final dividend of 4.4 pence per share, to be paid in May 2024 to shareholders on the register as at 18 April 2024. This equates to £34.9 million, subject to the share buyback programme.

	Company			
	2023		2022	
Ordinary dividends	£ m	Pence per share	£ m	Pence per share
Prior interim dividends paid	**35.3**	**4.4**	32.8	4.0
Proposed final dividends	**34.9**	**4.4**	33.0	4.0

25 Cash flow information

(a) Cash generated from operations

	Group		Company	
	2023 £ m	2022 £ m	2023 £ m	2022 £ m
Profit/(loss) before tax	**86.0**	127.4	**(34.6)**	2.9
Adjustments for:				
Exceptional expenses	**3.3**	3.2	**–**	0.1
Share-based payments	**4.2**	0.4	**–**	–
Loss on disposal of right-of-use asset	**1.2**	0.4	**–**	–
Depreciation and amortisation expense	**17.5**	18.3	**–**	–
Net other income	**(10.0)**	(8.6)	**(2.7)**	(1.7)
Carried interest	**(30.0)**	(24.2)	**–**	–
Fair value remeasurement of investments	**(25.3)**	(40.7)	**–**	–
Net exchange losses/(gains)	**2.4**	(1.1)	**3.4**	0.1
(Increase)/decrease in trade and other receivables	**(5.6)**	(46.4)	**117.3**	86.9
Increase/(decrease) in trade and other payables	**56.0**	6.9	**23.8**	(22.0)
Cash generated from operations	**99.7**	35.6	**107.2**	66.3

Notes to the consolidated and Company financial statements *continued*

(b) Cash outflows from leases

	Group	
	2023 £ m	2022 £ m
Financing	10.1	7.6
Operating	0.3	0.3
Cash outflows from leases	10.4	7.9

The Company has no leases (2022: nil).

(c) Reconciliation of liabilities arising from financing activities

	Group					
	1 January 2023 £ m	Cash flows £ m	Net additions/ (disposals) £ m	Fair value movements £ m	Foreign exchange movements £ m	31 December 2023 £ m
Borrowings	–	–	–	–	–	–
Fair value of consolidated CLO liabilities	597.5	–	529.9	38.6	(14.0)	1,152.0
Lease liabilities	83.2	(10.1)	8.5	–	–	81.6
Total	680.7	(10.1)	538.4	38.6	(14.0)	1,233.6

	Group					
	1 January 2022 £ m	Cash flows £ m	Net additions/ (disposals) £ m	Fair value movements £ m	Foreign exchange movements £ m	31 December 2022 £ m
Borrowings	–	–	–	–	–	–
Fair value of consolidated CLO liabilities	241.4	–	340.7	(9.0)	24.2	597.5
Lease liabilities	84.8	(7.6)	6.0	–	–	83.2
Total	326.2	(7.6)	346.7	(9.0)	24.2	680.7

The Company has no borrowings or lease liabilities (2022: nil).

26 Related party transactions

(a) Key management compensation

The Executive Directors are considered to represent the key management of the Group. The compensation paid or payable to the key management is set out in the table below.

	Group	
	2023 £ m	2022 £ m
Salary, bonus and other benefits	1.9	1.6
Total	1.9	1.6

Further information on the remuneration of the directors can be found in the Remuneration Report on page 103.

(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 £0.2m.

	Group	
	2023 £ m	2022 £ m
Salary, bonus and other benefits	2.4	2.1
Total	2.4	2.1

(c) Transactions with Directors

On 31 March 2023, Adam Jones was granted a conditional share award of 114,953 shares at a value of £2.17 per share, with total value £250,000, vesting on 31 March 2026.

(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 2023 have committed amounts from their personal resources across multiple funds totalling £21.4m (the Directors at 31 December 2022: £15.6m).

(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	
	2023 £ m	2022 £ m
Amounts received from funds	**298.2**	264.3
Amounts paid on behalf of the funds	**28.4**	19.0
Amounts receivable from funds	**41.2**	49.7

27 Parent and ultimate controlling party

The Company is owned by a number of natural persons and corporates, none of whom own more than 20% of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party.

28 Subsidiaries and interests in other entities

The Group consists of the Company and entities controlled by the Company. This note sets out those subsidiary entities owned by the Company and that are consolidated, those which are not, and those structured entities which are consolidated in the financial statements.

	Company	
	2023 £ m	2022 £ m
Balance as at 1 January	**1,023.0**	1,022.6
Increase in investment in subsidiary and other Group affiliates	**3.9**	0.4
At 31 December	**1,026.9**	1,023.0

The Group holds a direct interest in Bridgepoint Group Holdings Limited as at 31 December 2023 representing 100% (2022: 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 2023 and its ownership interest in each entity. The registered office of each subsidiary is referenced to a table below the list of subsidiaries. All subsidiaries operate in the countries where they are registered or incorporated and are stated at cost less, where appropriate, provision for impairment.

Notes to the consolidated and Company financial statements *continued*

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
101 Investments (GP) Limited	1	UK	General Partner	Ordinary shares	100%
Atlantic GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
Atlantic GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Atlantic GP LLP	1	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	General Partner	Ordinary shares	100%
BC GP 1 Limited	1	UK	General Partner	Ordinary shares	100%
BC GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
BC II GP LLP	2	UK	General Partner	N/A	–
BC II GP LP	2	UK	General Partner	N/A	–
BC II MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BC MLP UK Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BC SMA Carry GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
BC SMA II Carry GP LLP	2	UK	General Partner	N/A	–
BC SMA II FP Limited	1	UK	Limited 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	Limited Partner	Ordinary shares	100%
BCO IV LORAC Limited	1	UK	Dormant entity	Ordinary shares	100%
BDC GP LP	2	UK	General Partner	N/A	–
BDC II (SGP) Limited	2	UK	General Partner	Ordinary shares	100%
BDC II FP GP Limited	2	UK	General Partner	Ordinary shares	100%
BDC II GP LP	2	UK	General Partner	N/A	–
BDC II Limited	1	UK	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	Limited Partner	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 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 V GP LLP	1	UK	General Partner	N/A	–
BDC V MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BDC V GP SCSp	3	Luxembourg	General Partner	N/A	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
BDC V GP 2 Limited	1	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	Dormant entity	Ordinary shares	100%
BDCP II MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BDCP II SFP GP Limited	2	UK	General Partner	Ordinary shares	100%
BDL I Carry GP LLP	2	UK	General Partner	N/A	–
BDL II Carry GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
BDL III Carry GP LLP	2	UK	General Partner	N/A	–
BDL III FP Limited	1	UK	Limited Partner	Ordinary shares	100%
BDL III LORAC Limited	1	UK	Dormant entity	Ordinary shares	100%
BEP IV (Nominees) Limited	1	UK	Nominee company	Ordinary shares	100%
BEP IV FP Limited	1	UK	Limited 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	Limited 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 MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
BE VI Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
BE VI Nominees II 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 Advisers Singapore Pte. Ltd	16	Singapore	Private equity advisory company	Ordinary shares	100%
Bridgepoint AB	5	Sweden	Private equity advisory company	Ordinary shares	100%
Bridgepoint Advantage Limited	1	UK	Dormant entity	Ordinary shares	100%

Notes to the consolidated and Company financial statements *continued*

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Advantage MLP Limited	1	UK	Managing Limited Partner	Ordinary shares	100%
Bridgepoint Advantage FP Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Advantage FP SGP Limited	2	UK	General Partner	Ordinary shares	100%
Bridgepoint Advantage GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Advantage GP LLP	2	UK	General Partner	N/A	–
Bridgepoint Advantage GP LP	2	UK	General Partner	N/A	–
Bridgepoint Advantage Nominees Limited	1	UK	Nominee company	Ordinary shares	100%
Bridgepoint Advisers Europe Limited	1	UK	Private equity advisory company	Ordinary shares	100%
Bridgepoint Advisers Group Limited	1	UK	Investment holding company	Ordinary shares	100%
Bridgepoint Advisers Holdings	1	UK	Investment holding company	Ordinary shares	100%
Bridgepoint Advisers II Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Advisers Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Advisers UK Limited	1	UK	Private equity management company	Ordinary shares	100%
Bridgepoint Capital (Doolittle) Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital (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 Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Capital Verwaltungs GmbH	6	Germany	General Partner	Ordinary shares	100%
Bridgepoint Credit AD GP S.à r.l.	3	Luxembourg	General Partner	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 CLO GP S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
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 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	100%
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 II GP GmbH & Co. KG	13	Germany	General Partner	N/A	–

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint Credit Opportunities III GP LP	2	UK	General Partner	N/A	–
Bridgepoint Credit Opportunities III GP Limited	2	UK	General Partner	Ordinary shares	100%
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 PS 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 Development Capital V GP S.a r.l.	3	Luxembourg	General Partner	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 Direct Lending IV 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 V Finance GP LLP	1	UK	General Partner	N/A	100%
Bridgepoint Europe VII (GP) S.à r.l.	3	Luxembourg	General Partner	Ordinary shares	100%
Bridgepoint Europe VII FP Limited	1	UK	Limited Partner	Ordinary shares	100%
Bridgepoint Europe VII FP SGP Limited	2	UK	Dormant entity	Ordinary shares	100%
Bridgepoint Europe VII GP 2 Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint Europe VII GP LLP	1	UK	General Partner	N/A	–
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	–
BDC V Nominees Limited	1	UK	Nominee entity	Ordinary shares	100%
Bridgepoint Growth Limited	1	UK	Dormant entity	Ordinary shares	100%

Notes to the consolidated and Company financial statements *continued*

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
Bridgepoint 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 GmbH & Co. KG	13	Germany	General Partner	N/A	–
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 OP GP Limited	1	UK	General Partner	Ordinary shares	100%
Bridgepoint OP LP	1	UK	Investment holding partnership	N/A	–
Bridgepoint Partners Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint SAS	7	France	Private equity advisory company	Ordinary shares	100%
Bridgepoint Services France SAS	12	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 (in liquidation)	11	Poland	Private equity advisory company	Ordinary shares	100%
Bridgepoint Sp Zoo sp.k (in liquidation)	11	Poland	General Partner	N/A	–
Bridgepoint Structured Credit Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint UK Holdco Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint UK Midco Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint US Holdings Limited	1	UK	Dormant entity	Ordinary shares	100%
Bridgepoint US Holdco Limited	14	United States	Investment holding company	Ordinary shares	100%
Bridgepoint US Holdco 2 Limited	14	United States	Investment holding company	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	N/A	–
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	Dormant entity	Ordinary shares	100%
LORAC 6 Limited	1	UK	Dormant entity	Ordinary shares	100%

Name of subsidiary	Ref	Country of incorporation	Principal activity	Share class	Company's proportion of ownership interest
LORAC BC Co-Investment Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BC II Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BDC III Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BDC IV Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BDC Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BDCP II Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BEP IV Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BE VI Co-investment Limited	1	UK	Dormant entity	Ordinary shares	100%
LORAC BG I Limited	1	UK	Dormant entity	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	Dormant entity	Ordinary shares	100%
LORAC KITE Limited	1	UK	Dormant entity	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 Investments (UK) Limited	1	UK	Dormant entity	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%

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 Niedergrünewald, Luxembourg, L-2226, Luxembourg
4	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, Guernsey
5	Mäster Samuelsgatan 1, S-111 44 Stockholm , Sweden
6	Nextower, Thurn-und-Taxis-Platz 6, 60313 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	Paulus Potterstraat 22A, 1071 DA, 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	251 Little Falls Drive, City of Wilmington 19808, County of New Castle
15	21 rue La Pérouse, 75017, Paris, France
16	10 Anson Road, #22-02, International Plaza, Singapore (079903)

Notes to the consolidated and Company financial statements *continued*

(b) Entities not consolidated

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

Name of subsidiary:	Ref	Country of incorporation	Principal activity	Share class	Proportion of ownership interest
Bridgepoint PE CI Limited	1	UK	Investment holding company	Ordinary shares	49.1%
Sapphire 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%

* Entities are in liquidation

The profit or loss for the above entities for the years ended 31 December 2023 and 2022 are not material.

(c) Consolidated structured entities

The table below shows details of structured entities that the Group is deemed to control and are consolidated within the financial statements for the periods referenced.

	Country of incorporation	Group's proportion of ownership interest	Nature of interest	Periods consolidated
Name of structured entities:				
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	All periods
Bridgepoint CLO 1 DAC	Ireland	55.2%	Subordinated note in the residual class	All periods
Bridgepoint CLO 3 DAC	Ireland	51.0%	Subordinated note in the residual class	All periods
Bridgepoint CLO IV DAC	Ireland	61.0%	Subordinated note in the residual class	All periods
Bridgepoint CLO V DAC	Ireland	51.8%	Subordinated note in the residual class	Year ended 31 December 2023
Bridgepoint CLO VI DAC	Ireland	50.0%	Warehouse entity	Year ended 31 December 2023
Opal Investments LP	United Kingdom	85.0%	Limited partner	All periods
Maple Tree VII LP	United Kingdom	21.7%*	Limited partner	All periods

* A control assessment of Maple Tree VII LP has been performed in accordance with the Group's 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 a minimum return on drawn commitments, along with a share of residual profits from the partnership. As at 31 December 2023, no commitment had been drawn from the third-party investors.

(d) Associates

Where the Group holds investments in funds or CIPs that give the Group significant influence, but not control, through participation in 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. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. These investments are recorded as financial assets or carried interest receivable within the Group Consolidated Statement of Financial Position.

Bridgepoint Growth I SFP LP

The Group has an interest in a CIP which has a share of 35.0% of the rights to the carried interest from the Bridgepoint Growth I fund partnership and is therefore considered to have significant influence.

	31 December	
	2023 £ m	2022 £ m
Carried interest receivable	**13.6**	–
Carried interest payable	**(13.5)**	–
Net assets	**0.1**	–
Result for the year	**–**	–
Group's interest in the associate	**35.0%**	35.0%

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

BDC III SFP LP

The Group has an interest in a CIP which has a share of 25.9% of the rights to the carried interest from the BDC III fund partnerships and is therefore considered to have significant influence. 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 2023 £ m	31 December 2022 £ m
Carried interest receivable	228.1	136.4
Carried interest payable	(228.0)	(136.2)
Net assets	0.1	0.2
Result for the year	–	–
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 holds 31.8% of the entitlement to the founder partner commitments of the entity, which currently has no value. 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 2023 £ m	31 December 2022 £ m
Investments at fair value	35.7	39.5
Other assets	2.5	3.2
Total liabilities	(2.5)	(2.1)
Net assets	35.7	40.6
Profit for the year	1.9	0.7
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 45.2% of the limited partner commitments of BE VI Co-Investment (Feeder) Partnership LP. 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 2023 £ m	31 December 2022 £ m
Investments at fair value	14.5	12.4
Other assets	0.1	1.5
Total liabilities	(0.2)	(0.1)
Net assets	14.4	13.8
Profit for the year	0.9	2.8
Group's interest in the associate	45.2%	45.6%

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.

Notes to the consolidated and Company financial statements *continued*

(e) Subsidiaries not audited

For the year ended 31 December 2023 the following UK subsidiaries were expected to be entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

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

29 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group has determined that where the Group holds an investment, loan, fee receivable, commitment with an investment fund 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 of below 50% with the main beneficiaries of the CIP being the other participants.

The disclosure below includes CLO 2 for the years ended 31 December 2022 and 31 December 2023, which is not consolidated in either year, as explained in note 3 (a).

The Group acts in accordance with pre-determined parameters set out in various agreements and the decision-making authority is well defined, including third-party rights in respect of the investment manager. The agreements include management fees that are commensurate with the services provided and performance fee arrangements that are industry standard. As such the Group is acting as agent on behalf of these investors and therefore these entities are not consolidated into the Group's financial statements.

The Group's interest in, and exposure to, unconsolidated structured entities, including outstanding management fees, is detailed in the table below and recognised within trade and other receivables in the Consolidated Statement of Financial Position. The carried interest receivable is included within the Consolidated Statement of Financial Position.

at 31 December	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 % (where applicable)	Typical Group share of carried interest %	Group accrued carried interest receivable at year end £ m	Group maximum exposure to loss at year end £ m
2023										
Private equity funds	260.9	<2%	28.9	16.7	205.0	0.75 to 2.00%	Generally up to 20% of profits over threshold	Up to 35%	64.7	325.6
Credit funds	121.6	<9%	6.9	4.4	56.5	0.50 to 1.75%	Generally up to 20% of profits over threshold	Up to 35%	2.6	124.2
	382.5		35.8	21.1	261.5				67.3	449.8

at 31 December	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 % (where applicable)	Typical Group share of carried interest %	Group accrued carried interest receivable at year end £ m	Group maximum exposure to loss at year end £ m
2022										
Private equity funds	241.3	<2%	28.2	15.5	179.5	0.75 to 2.00%	Generally up to 20% of profits over threshold	Up to 35%	39.4	280.7
Credit funds	76.9	<9%	6.0	2.8	50.8	0.50 to 1.75%	Generally up to 20% of profits over threshold	Up to 35%	2.6	79.5
	318.2		34.2	18.3	230.3				42.0	360.2

30 Events after the reporting period

(a) ECP transaction

On 6 September 2023, the Group announced a transaction to add ECP to the Group to accelerate Bridgepoint's strategic diversification. The transaction establishes a third and complementary growth pillar for the Group. ECP is a leading North American infrastructure investor with a market-leading position in the highly sought-after energy transition and sustainability focussed investing ecosystem. Further details of the transaction were set out in the shareholder circular dated 2 October 2023, which can be found at our website: www.bridgepoint.eu/shareholders.

The transaction was approved by the Company's shareholders on 19 October 2023 and it was announced on 20 October 2023 that required investor consents to the transaction had been received in respect of ECP Fund III, IV and V. As announced on 4 March 2024, the sole outstanding regulatory clearance in respect of the transaction is a clearance applied for by ECP ControlCo, LLC from the Federal Energy Regulatory Commission, and closing of the transaction is expected to occur in Q2 2024.

As the transaction was not completed before 31 December 2023, the Group's Consolidated Statement of Profit or Loss for the year ended 31 December 2023 does not include any revenue, profit or loss relating to the ECP business, other than transaction costs of £43.5m recognised by the Group during the year, which have been recognised as other operating expenses and personnel expenses. Such transaction costs are classified as exceptional and so are excluded from underlying performance metrics. Further details on exceptionals are included in note 8.

The Group will apply the acquisition method to account for the transaction in accordance with IFRS 3 "Business Combinations". The Group is required to determine what is part of the business combination transaction, to recognise and measure the identified net assets acquired, and to determine the consideration transferred. As the transaction had not yet completed when the Annual Report was authorised for issue, the Group is unable to reasonably estimate the fair value of net assets acquired, the fair value of consideration transferred and the resulting goodwill and intangible assets.

(b) Share buyback programme

On 2 October 2023, the Company announced a second share buyback programme of up to £50.0m. The share buyback programme commenced on 12 October 2023 following completion of the previous programme, and is expected to complete on or before 31 July 2024. Between 31 December 2023 and 20 March 2024, being the latest practicable date before the publication of these financial statements, a further 904,187 ordinary shares have been bought back in aggregate for £2.4m pursuant to the share buyback programme. Of these shares, in aggregate 904,187 have been cancelled as at 20 March 2024.

(c) US private placement notes

On 7 March 2024, the Group priced $430.0m of new US private placement notes. The proceeds from the new notes will be used to provide additional resources to deliver the Group's strategic growth plans. The proceeds will also be used to refinance any portion of the $225.0m private placement notes that will transfer to the Group as part of the ECP transaction perimeter. Under a change of control process in these existing notes, note holders can opt for repayment from completion of the ECP transaction. The new notes will be structured in four tranches with maturities of 3, 5, 7 and 10 years and an average coupon of 6.17 per cent. The receipt of funding for the new notes is expected during Q2 2024, subject to the completion of the ECP transaction and customary conditions.

There have been no other material subsequent events since 31 December 2023.

Non-statutory Consolidated Statement of Financial Position, excluding CLOs

as at 31 December

	(Unaudited) 2023 £ m	(Unaudited) 2022 £ m
Assets		
Non-current assets		
Property, plant and equipment	**73.7**	85.5
Goodwill and intangible assets	**116.6**	119.6
Carried interest receivable	**67.3**	42.0
Fair value of fund investments*	**382.5**	318.2
Trade and other receivables	**23.2**	19.9
Total non-current assets	**663.3**	585.2
Current assets		
Trade and other receivables	**118.2**	184.9
Derivative financial assets	**6.2**	1.0
Other investments, at fair value	**7.5**	–
Cash and cash equivalents	**238.8**	196.0
Term deposits with original maturities of more than three months	**–**	100.0
Total current assets	**370.7**	481.9
Total assets	**1,034.0**	1,067.1
Liabilities		
Non-current liabilities		
Trade and other payables	**13.1**	13.6
Other financial liabilities	**50.1**	49.5
Lease liabilities	**69.7**	77.1
Deferred tax liabilities	**33.9**	19.4
Total non-current liabilities	**166.8**	159.6
Current liabilities		
Trade and other payables	**132.5**	115.5
Lease liabilities	**11.9**	6.1
Derivative financial liabilities	**1.6**	13.2
Total current liabilities	**146.0**	134.8
Total liabilities	**312.8**	294.4
Net assets	**721.2**	772.7
Equity		
Share capital	**0.1**	0.1
Share premium	**289.8**	289.8
Retained earnings	**418.7**	473.7
Other reserves**	**12.6**	9.1
Total equity	**721.2**	772.7

* The fair value of fund investments includes the Group's own exposures in consolidated CLOs 1, 3, 4, 5 and 6 of £81.1m (2022: CLOs 1, 3 and 4 of £45.2m) as at 31 December 2023.

** The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

This unaudited non-statutory consolidated statement of financial position applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. CLOs are presented as an investment held at fair value in line with how they are managed by the Group, rather than being consolidated in accordance with IFRS 10 "Consolidated Financial Statements".

Non-statutory Consolidated Statement of Cash Flows, excluding CLOs

for the year ended 31 December

	Unaudited 2023 £m	Unaudited 2022 £m
Cash flows from operating activities		
Cash generated from operations	**99.7**	35.6
Tax paid	**(4.7)**	(1.7)
Net cash inflow from operating activities	**95.0**	33.9
Cash flows from investing activities		
Investment in term deposits with original maturities of more than three months	**100.0**	(100.0)
Receipts from investments	**83.6**	74.3
Purchase of investments	**(46.9)**	(41.2)
Purchase of other investments	**(7.5)**	–
Interest received	**8.5**	3.3
Payment for foreign exchange option premium	**(3.8)**	–
Investments in CLOs	**(35.6)**	(8.7)
Cash acquired on consolidation of intermediate fund holding entities	**–**	1.2
Payments for property, plant and equipment and intangible assets	**(4.0)**	(22.6)
Net cash flows from investing activities	**94.3**	(93.7)
Cash flows from financing activities		
IPO costs	**–**	(1.8)
Dividends paid to shareholders of the Company	**(68.0)**	(62.8)
Share buyback	**(60.2)**	–
Drawings from related party investors in intermediate fund holding entities	**1.2**	3.8
Principal elements of lease payments	**(6.6)**	(4.1)
Interest paid	**(7.2)**	(4.7)
Net cash flows from financing activities	**(140.8)**	(69.6)
Net increase/(decrease) in cash and cash equivalents	**48.5**	(129.4)
Cash and cash equivalents at the beginning of the year	**196.0**	323.1
Effect of exchange rate changes on cash and cash equivalents	**(5.7)**	2.3
Cash and cash equivalents at the end of the year	**238.8**	196.0

This unaudited non-statutory consolidated statement of cash flows applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. Consolidated CLO cash is not presented in the opening or closing cash positions in this statement and all cash flows relate to the non-CLO activities of the Group.

Shareholder information

Corporate website

The Company's website at bridgepoint.eu contains various information which may be useful to shareholders, including the current share price and press releases. It is possible to sign up on the website to receive email alerts for press releases.

Shareview

Equiniti is the Company's share registrar. www.shareview.co.uk is Equiniti's free, self-service website where shareholders can manage their interests online.

The website enables shareholders to:

- view share balances;
- change address details;
- view payment and tax information;
- update payment instructions; and
- update communication instructions.

Shareholders can register their email address at www.shareview.co.uk to be notified electronically of events such as AGMs, and can receive shareholder communications such as the Annual Report and the Notice of Meeting online.

Enquiries and notifications concerning dividends, share certificates or transfers and address changes should be sent to the registrar.

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Telephone: +44 (0) 20 7034 3500

Registered in England and Wales
Company No. 11443992

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London, E14 4QA.

BNP Paribas
10 Harewood Avenue
London, NW1 6AA.

Auditor

Mazars LLP
30 Old Bailey
London, EC4M 7AU.

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing, West Sussex, BN99 6DA.

Financial calendar

Ex-dividend date	18 April 2024
Record date	19 April 2024
Annual General Meeting	15 May 2024
Payment date for dividend	21 May 2024
Half-year results	17 July 2024

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Glossary

Annual Report	this annual report and accounts;
APM	alternative performance measure;
Articles	the Articles of Association of the Company;
AUM	assets under management;
Board	the board of directors of the Company;
BREEAM	Building Research Establishment Environmental Assessment Method;
BVCA	British Private Equity & Venture Capital Association;
CLO	collateralised loan obligations;
Companies Act 2006	the UK Companies Act 2006, as amended from time to time;
Company	Bridgepoint Group plc;
Corporate Governance Code	the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council, as amended from time to time;
DACH	the countries of Germany, Austria and Switzerland
EBITDA	earnings before interest, tax, depreciation and amortisation;
EPS	earnings per share;
FCA	the Financial Conduct Authority;
FRC	Financial Reporting Council;
FRE	fee related earnings;
Group or Bridgepoint	the Company and each of its direct and indirect subsidiaries;
IFRS	International Financial Reporting Standards;
IPO	the initial public offering of the Company's ordinary shares;
KPI	key performance indicator;
PCAF	Partnership for Carbon Accounting Financials;
PRE	performance related earnings;
SECR	Streamlined Energy and Carbon Reporting;
SFDR	Sustainable Finance Disclosure Regulation;
SMID Cap	small and medium capitalisation companies;
subsidiary	has the meaning given to it in the Companies Act 2006;
TCFD	Task Force on Climate-Related Financial Disclosures;
UN PRI	United Nations Principles for Responsible Investment; and
UN SDGs	United Nations Sustainable Development Goals.