

# AMENDING

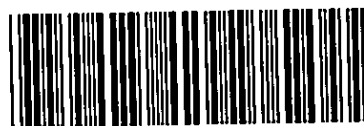
**Bridges Ventures Limited**

Report and Financial Statements

31 March 2010

Registered number 4269077

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**Bridges Ventures Limited**  
**Directors and Advisors**

**Directors**

Sir R M Cohen (Chairman)

N E Doughty

Dr P Englander

M C Giddens

C L Maddox

J R H Maw

P W Newborough

A Ross

P B Williams

**Company Secretary**

J R H Maw

**Auditors**

BDO LLP

55 Baker Street

London W1U 7EU

**Bankers**

HSBC Bank plc

90 Baker Street

London

W1U 6AX

**Registered Office**

1 Craven Hill

London

W2 3EU

Bridges Ventures Limited  
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## **Bridges Ventures Limited**

### **Director's report**

The directors present their report and financial statements for the year ended 31 March 2010

#### **Results and dividend**

The profit for the year after tax was £38,395 (2009 £108,234) The directors do not recommend the payment of a dividend (2009 - £nil)

#### **Principal activity and review of the business**

The principal activity of the company is the provision of private equity fund management services The company is authorised and regulated by the Financial Services Authority

Turnover was flat compared to last year, as the reduction in management fee from Fund I due to its reaching the end of its Investment Period was offset by income from the Social Entrepreneurs Fund and Sustainable Property Fund, the latter of which reached first closing in November 2009 We expect turnover to be flat once again in the coming year, with Fund I management fees declining as assets are realised As at 31 March 2010, funds under management were £150 million (2009 £119 million)

#### **Principal risks and uncertainties**

The company's operations expose it to a variety of financial risks, the main one being money laundering The company has in place policies that require appropriate anti money laundering checks on potential counterparties to minimise the likelihood that any such exposures arise

#### **Directors**

The directors who served during the year and subsequent to the year end were as follows

Sir R M Cohen

P W Newborough

M C Giddens

P B Williams

C L Maddox

N E Doughty

A Ross

Dr P Englander

J R H Maw

#### **Pillar 3**

Details of the company's unaudited Pillar 3 disclosure require under chapter 11 of the Financial Services Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) may be found on the company's website [bridgesventures.com](http://bridgesventures.com)

#### **Auditors**

BDO LLP, the company's auditors, have expressed their willingness to continue in office and in accordance with s485 of Companies Act 2006, a resolution for their re-appointment will be put to the Annual General Meeting

**Bridges Ventures Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

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

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

The directors are responsible for keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors also confirm that

(a) so far as they are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and

(b) they have taken all the steps a director might reasonably be expected to have taken to be aware of the relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**Insurance**

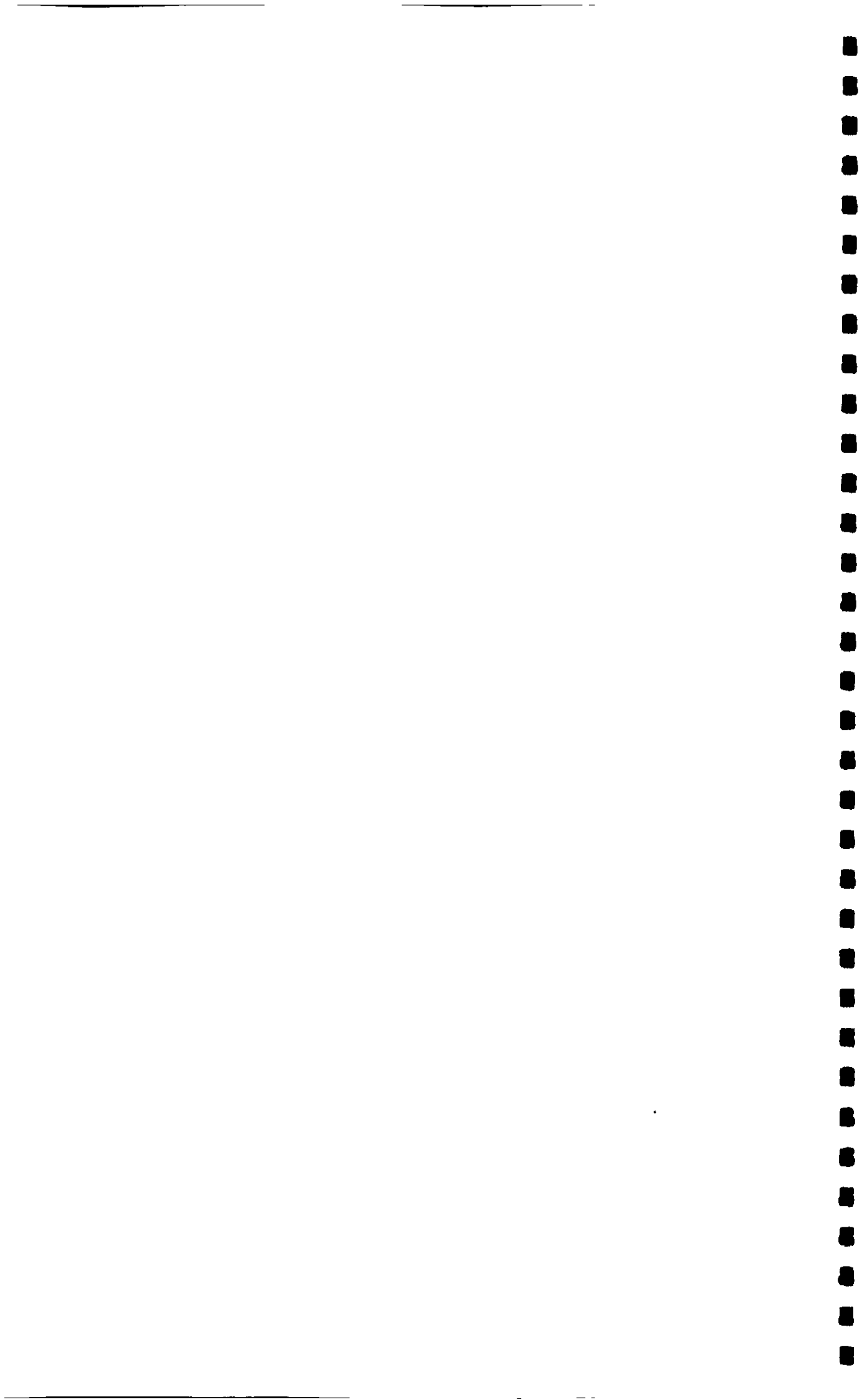
The company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of their employment

**On behalf of the Board,**



**J R H Maw**  
**Director**

**8 July 2010**



## **Bridges Ventures Limited**

### **Independent auditor's report to the shareholders of Bridges Ventures Limited**

We have audited the financial statements of Bridges Ventures Ltd for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Bridges Ventures Limited

**Independent auditor's report to the shareholders of Bridges Ventures Limited**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements 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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Daniel Taylor (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
8 July 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



Bridges Ventures Limited  
Profit and loss account  
For the year ended 31 March 2010

	Notes	2010 £	2009 £
<b>Turnover</b>		3,337,970	3,445,400
Administrative expenses		(3,298,176)	(3,395,592)
<b>Operating profit</b>	<b>2</b>	<b>39,794</b>	<b>49,808</b>
Bank interest receivable		9,589	56,186
Interest payable and similar charges	<b>5</b>	(2,378)	(1,272)
<b>Profit on ordinary activities before taxation</b>		<b>47,005</b>	<b>104,722</b>
Tax on profit on ordinary active ties	<b>6</b>	(8,610)	3,512
<b>Profit on ordinary activities after taxation</b>	<b>12</b>	<b>38,395</b>	<b>108,234</b>

There are no recognised gains or losses in either period other than the profit for the period. All the results of the company are derived from continuing operations.

The notes on pages 7 to 16 form part of these financial statements.

Bridges Ventures Limited (Registered number 4269077)  
 Balance Sheet  
 At 31 March 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	92,719	31,957
Investments	8	9	5
		<u>92,728</u>	<u>31,962</u>
<b>Current assets</b>			
Debtors	9	1,025,594	360,021
Cash at bank and in hand		1,108,869	1,498,252
		<u>2,134,463</u>	<u>1,858,273</u>
<b>Creditors</b> Amounts falling due within one year	10	(699,735)	(401,174)
<b>Net current assets</b>		<u>1,434,728</u>	<u>1,457,099</u>
<b>Net Assets</b>		<u>1,527,456</u>	<u>1,489,061</u>
<b>Capital and reserves</b>			
Called up share capital	11	15,000	15,000
Profit and loss account	12	1,512,456	1,474,061
<b>Shareholders' Funds</b>	12	<u>1,527,456</u>	<u>1,489,061</u>

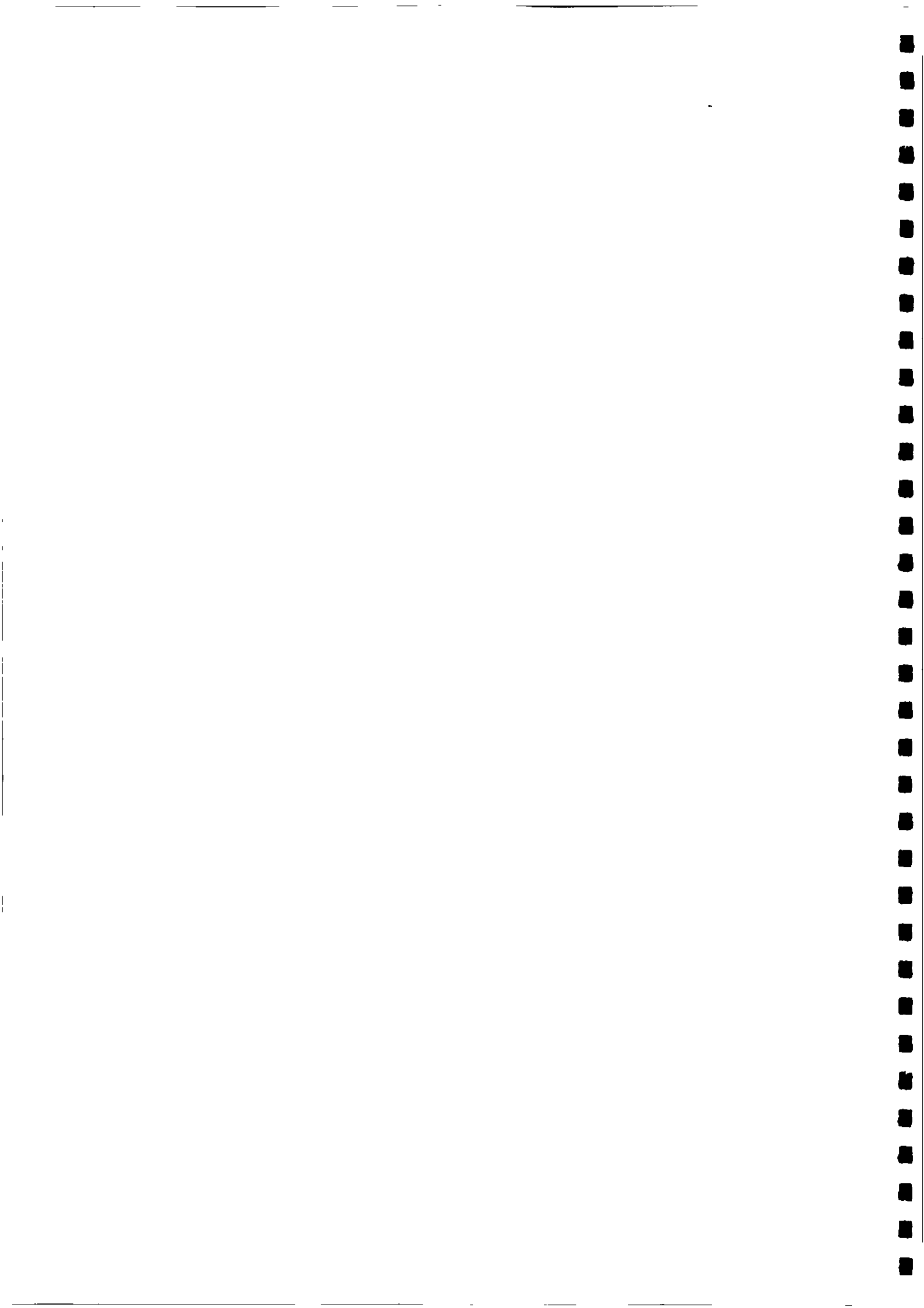
These financial statements have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors and authorised for issue on 8 July 2010



J R H Maw  
 Director

The notes on pages 7 to 16 form part of these financial statements



Bridges Ventures Limited  
Notes to the financial statements  
As at 31 March 2010

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards, all of which have been applied consistently throughout the year and the preceding period

***Group financial statements***

The company is exempt from the requirements to prepare group financial statements by virtue of Part 15 of the Companies Act 2006. The parent company is not required to prepare group financial statements as the group qualifies as a small group. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

***Cash Flow Statement***

In accordance with Financial Reporting Standard 1, the company has not prepared a cash flow statement on the grounds of the size of the company.

***Turnover***

Turnover, which is stated net of value added tax, is attributed to the supply of private equity fund investment management services and consultancy fees. Fees are recognised once receivable. Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

***Tangible fixed assets***

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value based on prices prevailing at the date of acquisition or revaluation as follows:

Fixtures, fittings and equipment                      33% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

***Fixed asset investments***

Fixed asset investments are held at cost.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Sterling at the rate of exchange ruling at the balance sheet date.

All exchange rate differences are taken to the profit and loss account.

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**1 Accounting policies (continued)**

***Pension costs and other post retirement benefits***

The company makes payments into defined contribution personal schemes, for members of staff who have completed the required qualifying service. Contributions are charged to the profit and loss account as they become payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

***Operating Leases***

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis.

***Deferred taxation***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2 Operating profit**

This is stated after charging	<b>2010</b>	<b>2009</b>
	£	£
Depreciation of owned fixed assets	24,306	19,907
Operating lease rentals		
- office equipment	7,683	6,614
- land and buildings	153,375	139,323
Auditors' remuneration		
- fees payable for audit of financial statements	7,300	7,300

**3 Staff costs**

	<b>2010</b>	<b>2009</b>
	£	£
Wages and salaries	2,086,462	1,883,116
Social security costs	252,691	223,352
Pension fund contributions	105,314	99,756
Other employee benefits	17,229	14,029
	<u>2,461,696</u>	<u>2,220,253</u>

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**3 Staff costs (continued)**

The average monthly number of employees, including directors, during the year was analysed as follows

	2010	2009
Administrative personnel	7	6
Investment personnel	14	15
	<u>21</u>	<u>21</u>

**4 Directors' remuneration and transactions**

The remuneration of the directors was as follows

	2010 £	2009 £
Emoluments	1,101,794	718,176
Company contributions to money purchase pension schemes	58,358	54,475
	<u>1,160,152</u>	<u>772,651</u>

**Pensions**

The number of directors who were members of pension schemes was as follows

	2010	2009
Money purchase schemes	<u>5</u>	<u>5</u>

**Highest paid director**

The amounts below detail the remuneration in respect of the highest paid director

	2010 £	2009 £
Emoluments	415,000	265,129
Company contributions to money purchase pension schemes	26,250	26,250
	<u>441,250</u>	<u>291,379</u>

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**5 Interest payable and similar charges**

	2010 £	2009 £
Bank charges	2,378	1,272
	<u>2,378</u>	<u>1,272</u>

**6 Taxation**

*i) Analysis of tax charge/(credit) on ordinary activities*

	2010 £	2009 £
UK Corporation tax	-	-
Total current tax	-	-
Deferred tax		
Timing differences, origination and reversal	8,610	(3,512)
Total deferred tax	<u>8,610</u>	<u>(3,512)</u>
Tax charge/(credit) on ordinary activities	<u>8,610</u>	<u>(3,512)</u>

*ii) Factors affecting tax credit for the current period*

*The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below*

	2010 £	2009 £
Profit on ordinary activities before tax	<u>47,005</u>	<u>99,919</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	13,161	27,977
Effects of		
Expenses not deductible for tax purposes	17,406	18,092
Capital allowances in arrears of depreciation	(7,733)	2,484
Movement in short-term timing differences	(877)	1,028
Group relief not paid for	<u>(21,958)</u>	<u>(49,580)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**6 Taxation (continued)**

iii) Deferred Tax Note	2010 £	2009 £
Opening balance	(1,525)	1,987
Profit and loss account	8,610	(3,512)
Closing balance	<u>7,085</u>	<u>(1,525)</u>

*iv) Analysis of Deferred Tax Balance*

	2010 £	2009 £
Capital allowances in excess of depreciation	9,371	1,638
Short term timing differences	(2,286)	(3,163)
Deferred tax liability / (asset)	<u>7,085</u>	<u>(1,525)</u>

**7 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2009	66,258
Additions	85,068
At 31 March 2010	<u>151,326</u>
<b>Depreciation</b>	
At 1 April 2009	34,301
Charge for the year	24,306
At 31 March 2010	<u>58,607</u>
<b>Net book value</b>	
At 1 April 2009	31,957
At 31 March 2010	<u>92,719</u>



Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

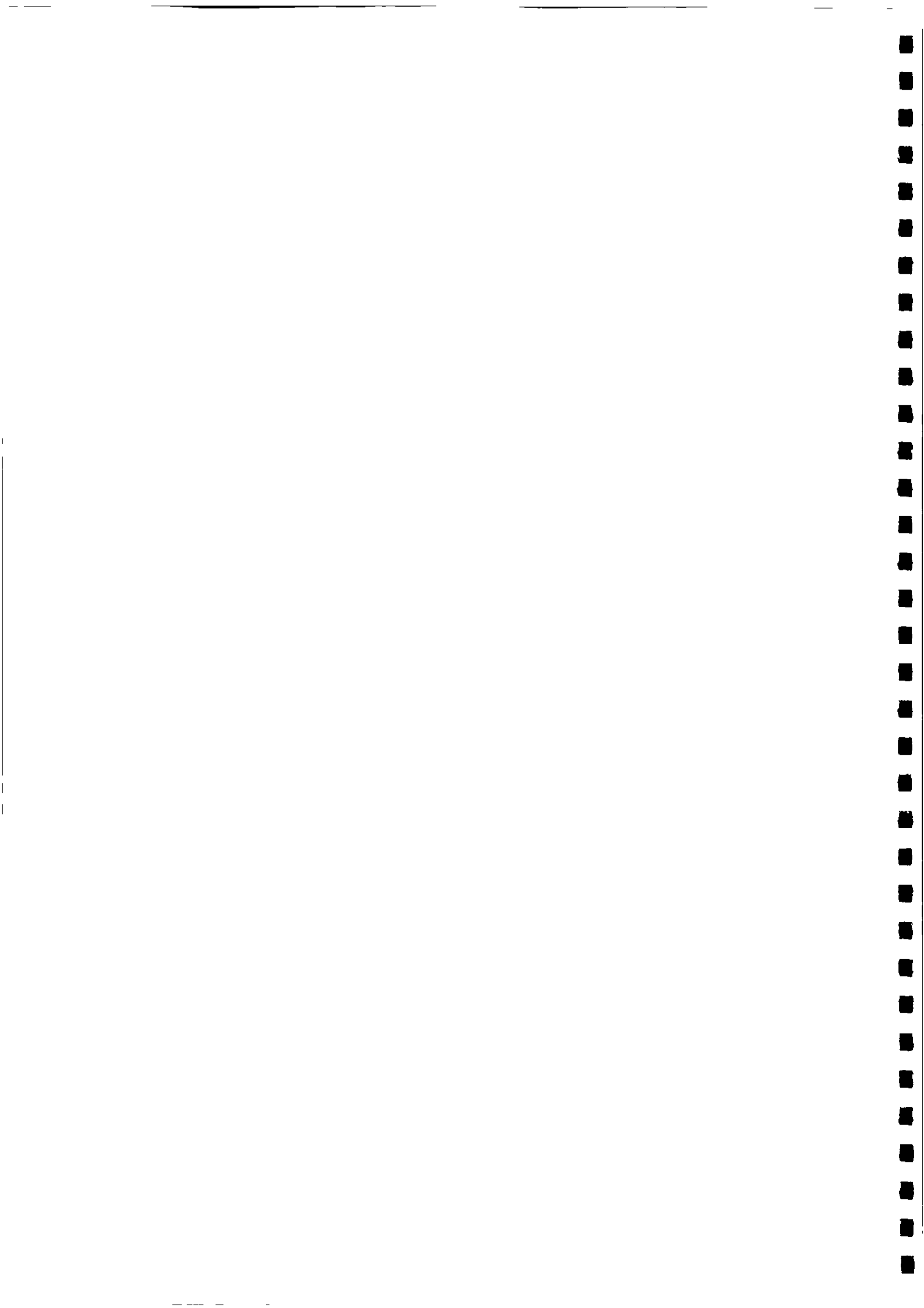
**8. Investments**

	Country of incorporation	Percentage ownership	Nature of Business	2010 £	2009 £
Bridges Community Ventures (General Partner) Limited	England and Wales	100%	General Partner	1	1
Bridges Community Ventures (Scotland) Limited	Scotland	100%	General Partner	1	1
Bridges Community Ventures Nominees Limited	England and Wales	100%	Holds investments as nominee	1	1
Bridges CDV Fund II (General Partner) Limited	England and Wales	100%	General Partner	1	1
Bridges CDV Fund II (Scotland) Limited	Scotland	100%	General Partner	1	1
Bridges Social Entrepreneurs Fund (General Partner) Limited	England and Wales	100%	General Partner	1	-
Bridges Social Entrepreneurs Fund (Scotland) Limited	Scotland	100%	General Partner	1	-
Bridges SP Fund (General Partner) Limited	England and Wales	100%	General Partner	1	-
Bridges Sustainable Property Fund (Scotland) Limited	Scotland	100%	General Partner	1	-
				<u>9</u>	<u>5</u>

**9 Debtors: Amounts falling due within one year**

	2010 £	2009 £
Trade debtors	97,636	67,726
Other debtors	42,464	40,104
Amounts receivable from related parties (note 15)	611,531	42,548
Prepayments and accrued income (note 15)	273,963	208,118
Deferred tax asset (note 6 iii)	-	1,525
	<u>1,025,594</u>	<u>360,021</u>

Within trade debtors is a balance of £30,000 (2009 £nil) which may become due after more than one year



Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**10 Creditors: Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	£	£
Trade creditors	118,694	62,066
Other creditors	9,410	8,796
Amounts payable to related parties (note 15)	256,574	149,532
Taxation and social security	208,247	85,407
Accruals and deferred income	99,725	95,373
Deferred tax liability (note 6 iii)	7,085	-
	<u>699,735</u>	<u>401,174</u>

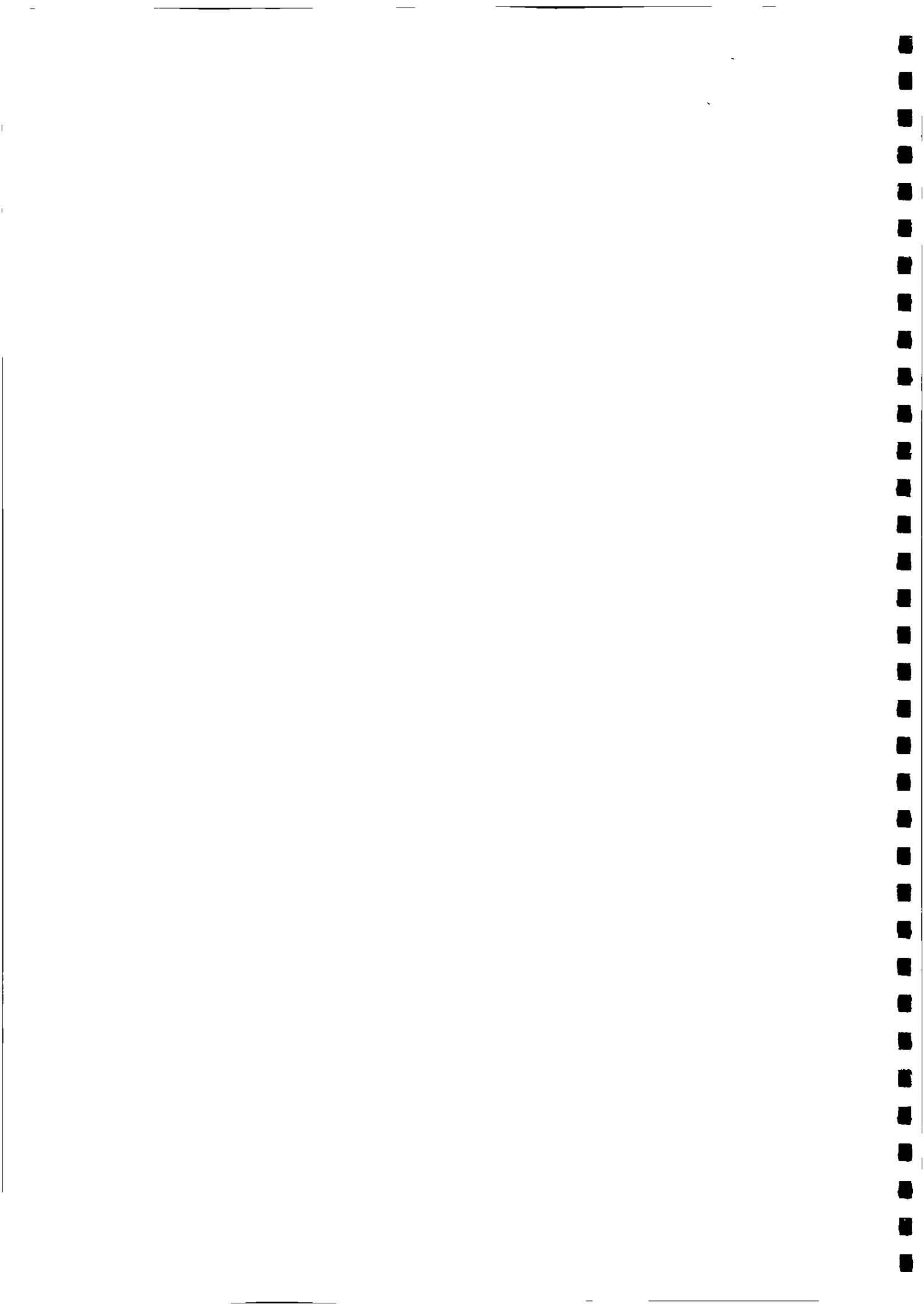
**11 Called-up share capital**

	<b>2010</b>	<b>2009</b>
	£	£
<i>Authorised</i>		
15,500 A ordinary shares of £1 each	15,500	15,500
4,500 B Ordinary shares of £1 each	4,500	4,500
	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called-up and fully-paid</i>		
10,500 A ordinary shares of £1 each	10,500	10,500
4,500 B ordinary shares of £1 each	4,500	4,500
	<u>15,000</u>	<u>15,000</u>

The 'A' ordinary shares have voting rights and the 'B' ordinary shares have no voting rights

**12. Reconciliation of movement in shareholders' funds**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total Shareholder's Funds</b>
	£	£	£
At 1 April 2008	15,000	1,365,827	1,380,827
Profit for the year	-	108,234	108,234
	<u>15,000</u>	<u>1,474,061</u>	<u>1,489,061</u>
At 1 April 2009	15,000	1,474,061	1,489,061
Profit for the year	-	38,395	38,395
At 31 March 2010	<u>15,000</u>	<u>1,512,456</u>	<u>1,527,456</u>



### 13 Pension Contributions

The company operates a defined contribution pension scheme for its directors and employees. The pension costs during the year amounted to £105,314 (2009 – £99,756). The assets of the scheme are held separately from those of the company in an independently administered fund. There were outstanding contributions of £10,089 at 31 March 2010 (2009 – £8,796).

### 14 Other financial commitments

The company had annual commitments under non-cancellable operating leases as set out below:

	2010			2009		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Operating leases which expire						
- within one year	-	-	-	144,500	-	144,500
- within two to five years	180,000	7,413	187,413	-	7,413	7,413
	<u>180,000</u>	<u>7,413</u>	<u>187,413</u>	<u>144,500</u>	<u>7,413</u>	<u>151,913</u>

### 15 Related party transactions

The directors of the company are related to Bridges Community Development Ventures Fund 'A' LP, Bridges Community Development Ventures Fund 'B' LP, Bridges Community Development Ventures Fund II LP, Bridges Social Enterprise Fund LP and Bridges Sustainable Property Fund LP by virtue of common directorship.

Under the terms of the Limited Partnership Agreements, Bridges Community Ventures Limited receives a management fee from these parties. The amounts received during the year are as detailed below:

	2010 £	2009 £
Fund A	449,212	840,000
Fund B	200,367	360,000
Fund II	1,875,000	1,903,983
Social Enterprise Fund	172,496	-
Sustainable Property Fund	154,827	-

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**15. Related party transactions (continued)**

The fees received as noted above are reduced by the whole of any underwriting or abort fees and by 50% of any transaction fees, investment fees, corporate finance fees and other fees received by Bridges Community Ventures Limited from the investments within the Limited Partnerships. These transaction fees are payable to the Limited Partnerships, as per the Agreements and the fees payable during the year are detailed below

	2010	2009
	£	£
Fund A	38,389	35,033
Fund B	5,669	9,523
Fund II	49,335	40,733
Social Enterprise Fund	-	-
Sustainable Property Fund	-	-

As at 31 March 2010, amounts included within creditors were £86,606 (2009 £54,968), £8,151 (2009 £8,541), £154,309 (2009 £86,018), £7,500 (2009 £nil) and £nil (2009 £nil) for Fund A, Fund B, Fund II, Social Enterprise Fund and the Sustainable Property Fund respectively

During the year, various costs were also incurred on behalf of the funds and recharged as detailed below

	2010	2009
	£	£
Fund A	30,059	45,177
Fund B	25,014	23,999
Fund II	120,951	84,101
Social Enterprise Fund	112,762	-
Sustainable Property Fund	353,766	-

Amounts outstanding as at 31 March 2010 were £nil (2009 £828), £nil (2009 £35), £26,177 (2009 £nil), £30,779 (2009 £nil), £353,767 (2009 £nil) for Fund A, Fund B, Fund II, the Social Enterprise Fund and the Sustainable Property fund respectively

As at 31 March 2010, accrued income included fees of £nil (2009 £134,531), which were receivable from Bridges Charitable Trust Ltd, which is a shareholder of Bridges Ventures Limited

As at 31 March 2010, debtors also included a Directors Loan Account balance of £200,807 relating to Philip Newborough. This was the maximum liability during the year and was advanced to help fund the purchase of a property

All transactions were carried out on an arm's length basis

Bridges Ventures Limited  
Notes to the financial statements (continued)  
As at 31 March 2010

**16 Ultimate controlling party**

The directors do not regard any party to be the company's controlling party. The company's ownership structure, as at year end has been set out below as follows

	<b>A Ordinary Shares</b>	<b>B Ordinary Shares</b>
Apax Partners Holdings Ltd	2	-
3i Holding plc	2	-
Bridges Charitable Trust	-	4,500
Philip Newborough	3,467	-
Michele Giddens	3,467	-
Carolyn Maddox	1,050	-
Antony Ross	1,312	-
Rory Maw	1,200	-
	<u>10,500</u>	<u>4,500</u>