

Bregal Investments London Limited

Registration number 04345764

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2021

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Bregal Investments London Limited

Registered No: 04345764

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Company Information

Directors

D.N. Cupit
K. Watson
P.A. Bradshaw
G.S. Cox
C.J. Dow
J.D. Drury (resigned 26 April 2021)
A. Carrier (appointed 24 February 2022)

Secretary

J.D. Drury (resigned 26 April 2021)

Registered Office

Michelin House
81 Fulham Road
London
SW3 6RD

Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Directors' report

**To the shareholders of Bregal Investments London Limited
for the year ended 31 December 2021**

The directors present their annual report of Bregal Investments London Limited ("The Company") and its subsidiaries (collectively "The Group"), together with the audited financial statements of the Group for the year ended 31 December 2021 which have been prepared in accordance with the provisions of the Companies Act 2006.

Principal risks and uncertainties

The principal risks and uncertainties including the financial instruments of the Company have been outlined in the strategic report.

Going concern

The financial position of the Group and Company and its liquidity are reflected in the Statement of Financial Position. The Group and Company have sufficient financial resources; as a consequence, the directors believe that the Group and Company are well placed to manage their business risks successfully and have adequate resources to continue to operate for the foreseeable future and for 12 months from the date of this report. For discussion concerning the management assessment of COVID-19's impact on the Group and Company refer to the going concern assessment in Note 1.

Employees

The Company had no employees during the year. The Group had an average of 174 employees during the year (2020: 163).

Directors and their interests

The following directors, unless otherwise stated, have held office since 1 January 2021 up to the date of approval of the financial statements:

D.N. Cupit
K.A. Watson
P.A. Bradshaw
G.S. Cox
C.J. Dow
J.D. Drury (resigned 26 April 2021)
A. Carrier (appointed 24 February 2022)

No director has any beneficial interest in the share capital of the Company. None of the directors, nor any member of their respective family, had reported any material interest in contracts involving the Company, or interests in the share or loan capital of the ultimate holding Company, or its subsidiaries, at the relevant dates which required disclosures.

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

Independent Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Directors' report (continued)

**To the shareholders of Bregal Investments London Limited
for the year ended 31 December 2021**

Streamlined Energy and Carbon Reporting

The directors present the Streamlined Energy and Carbon Reporting for the company in Appendix A to the Financial Statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the Company and Group financial statements in accordance with applicable law and regulations.

The Companies Act 2006 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 'The Financial Reporting Standard in the UK and Republic of Ireland'. 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 Company and of the Group and of the profit or loss of the Group 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 United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law) have been followed, subject to any material departures disclosed and 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 are sufficient to show and explain the Group'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. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each director is aware, there is no relevant audit information of which the Group's auditors are unaware. Each director has taken all the steps he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Signed on behalf of the Board



D. Cupit

Director

26 September 2022

Group strategic report

**To the shareholders of Bregal Investments London Limited
for the year ended 31 December 2021**

The purpose of the Strategic report is to inform members of the Company and help them assess how the directors have performed their duty under section 172 (duty to promote success of the Company) of Companies Act 2006.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S BUSINESS DURING THE FINANCIAL YEAR

Principal activity

The principal activity of the Company is that of managing member of Bregal Investments LLP, Bregal Freshstream LLP, Bregal Milestone LLP and Bregal Capital GP (UK I) LLP and of investment holdings including Bregal Capital (LP) Limited, Bregal Investments Inc, Bregal Energy Inc, BSI2 Hold Eggplant Inc, Bregal Unternehmerkapital GmbH, Bregal Unternehmerkapital II GP Sarl, BU Adhesives Co-Investment General Partner Sarl, Bregal Unternehmerkapital III GP Sarl and B.U. Italy Srl.

Results and dividends

The results for the year are set out on page 12. During the year, the Company did not declare or pay a dividend (2020: £nil).

Key performance indicator analysis

Performance is monitored by the Group with reference to fee income received from underlying investment funds the Group advises, which totalled £124,823,903 in the year ending 31 December 2021 (2020: £111,977,215).

POSITION OF THE GROUP AT THE END OF THE FINANCIAL YEAR AND FUTURE DEVELOPMENTS

The Group has been profitable in the year and at 31 December 2021 had net assets of £53,261,860 (2020: £41,725,849). The Group has adequate resources available to meet its foreseeable obligations. The board does not foresee changes to the business over the next three years and therefore does not anticipate significant changes in the results and the structure of the Group.

DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group's income represents investment advisory fees, which the directors also consider to be the key performance indicator. The business is subject to risks associated with the industry within which it operates and with attracting and retaining the services of key staff.

The Group has exposure to the following risks from its use of financial instruments for which further details can be found in note 1:

Credit Risk

As the companies and partnerships within the Group receive the vast majority of income from the investment funds they manage and advise, the exposure to credit risk is limited to the ability of those funds and ultimately the Limited Partners of those funds to meet their commitments. Before agreeing to allow a Limited Partner to enter an investment fund, the Partnership performs appropriate checks on the ability of the investors to meet their commitments before they are admitted.

Group strategic report (continued)

To the shareholders of Bregal Investments London Limited
for the year ended 31 December 2021

Liquidity Risk

The companies and partnerships within the Group have insignificant external debt funding and relies on partner capital and operating cash flow to fund operating requirements. They receive quarterly management fees or advisory fees from the investment funds it manages and advises. These fees are generally sufficient to pay the operating costs of the entities. Each entity actively manages its liquidity risk to ensure it has sufficient available funds for operations.

Interest rate cash flow risk

The Group has interest bearing assets. Interest bearing assets include only cash balances, some of which earn interest at current rates.

Regulatory risk

The Group contains four FCA regulated entities. Each of these entities has adequate resources available to meet its FCA requirements.

Currency risk

The Group is exposed to foreign exchange rate risk as a result of the inclusion in the financial statements of the results of subsidiaries denominated in Euros and USD.

The below sensitivity analysis is performed based on the sensitivity of the Group's net assets and net result for the period after tax to movements in foreign currency exchange rates assuming a 10% movement in exchange rates against sterling.

	USD	Exchange rates USD/GBP			Impact of FX movement	
		Actual	+10%	-10%	+10%	-10%
Result of the year after tax	2,926,895	0.73	0.80	0.65	212,762	(212,762)
Total net assets	25,097,009	0.74	0.81	0.67	1,857,905	(1,857,905)

	Euro	Exchange rates EUR/GBP			Impact of FX movement	
		Actual	+10%	-10%	+10%	-10%
Result of the year after tax	7,922,805	0.86	0.95	0.77	681,203	(681,203)
Total net assets	11,963,777	0.84	0.92	0.75	1,003,282	(1,003,282)

Group strategic report (continued)

To the shareholders of Bregal Investments London Limited
for the year ended 31 December 2021

Statement on the duty to promote the success of the Company and Group (Section 172(1), Companies Act 2006)

The directors recognise that the success of the Company and Group relies on relationships and dealings with various stakeholders including, but not limited to, employees, shareholders and suppliers, and have regard for the long-term impact on stakeholders of any decisions made during the year. The directors engage with employees on a day-to-day basis as active members of their respective teams, maintain good relationships with representatives of the ultimate parent and controlling party, and champion a responsible investment approach focused on long-term sustainable value, conscious of responsibilities to the wider community and environment. The directors have acted in a way that they consider to be in good faith and most likely to maintain high standards of business and promote the long-term success of the group for the benefit of the stakeholders.

Signed on behalf of the Board on



D. Cupit

Director

26 September 2022

Independent auditor's report to the members of Bregal Investments London Limited

Opinion

We have audited the financial statements of Bregal Investments London Limited ('the company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise which comprise of the Group Statement of Comprehensive Income, Group Statement of Financial Position, Company Statement of Financial Position, Group Cash Flow Statement, Group Statement of Changes in Equity, Company Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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.

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 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, 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.

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 and parent company's ability to continue as a going concern for a period at least 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independent auditor's report to the members of Bregal Investments London Limited

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 contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the 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, 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
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement page 4 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.

Independent auditor's report to the members of Bregal Investments London Limited

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding with management by reviewing relevant policy and procedures manuals.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue based on the transfer pricing arrangement applied by management and tested a sample of inputs in the calculation back to source documentation. We also used our internal transfer pricing specialists to review the appropriateness of the transfer pricing arrangement.

Independent auditor's report to the members of Bregal Investments London Limited

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance and review of legal and professional expenses.
- The Company is a regulated private equity house under the supervision of the FCA. As such, the Senior statutory auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

Use of our report

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

Ernst & Young LLP

Mitul Shah (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

26 September 2022

Group Statement of comprehensive income

as at 31 December 2021

		2021	2020
	Notes	£	£
Income			
Management/Advisory fee income	2	124,823,903	111,977,215
Expense reimbursement		5,405,960	6,260,981
		<u>130,229,863</u>	<u>118,238,196</u>
Expenses			
Administration expenses	3	(115,931,298)	(115,650,078)
Operating profit		<u>14,298,565</u>	<u>2,588,118</u>
Other income		1,556,752	133,715
Interest receivable		178,432	138,785
Interest payable		(172,888)	(165,440)
Foreign exchange differences		(152,698)	5,445
Profit on ordinary activities before taxation		<u>15,708,163</u>	<u>2,700,623</u>
Loss on disposal of subsidiaries		(30,922)	-
Taxation	5	(4,141,230)	350,856
Profit on ordinary activities after taxation		<u>11,536,011</u>	<u>3,051,479</u>
Comprehensive income		<u>11,536,011</u>	<u>3,051,479</u>

There is no difference between the profit on ordinary activities after taxation and its historical cost equivalent.

All items dealt with in arriving at operating profit relate to continuing activities.

The Directors have chosen to apply the exemption under S.408 of the Companies Act 2006 and therefore not disclosed the Company's individual statement of Comprehensive Income.

The notes on pages 18 to 34 form an integral part of these financial statements.

Registration number 04345764

Group Statement of financial position

as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	7	2,187,208	2,692,286
Intangible fixed assets	8	7,284	17,243
Investments in investment portfolio	10	141,325	811,596
Investments in affiliates		2	2
Deferred tax assets	5	4,024,068	2,076,072
		<u>6,359,887</u>	<u>5,597,199</u>
Current assets			
Debtors	11	53,565,589	47,535,669
Cash at bank and in hand		19,949,706	10,441,171
		<u>73,515,295</u>	<u>57,976,840</u>
Creditors: amounts falling due within one year	12	<u>(26,613,322)</u>	<u>(21,848,190)</u>
Net current assets		<u>46,901,973</u>	<u>36,128,650</u>
Net assets		<u>53,261,860</u>	<u>41,725,849</u>
Capital and reserves			
Called up share capital – ordinary shares	13	700,001	700,001
Share premium reserve	13	7,831,823	7,831,823
Profit and loss account		44,730,036	33,194,025
Shareholders' funds		<u>53,261,860</u>	<u>41,725,849</u>

The notes on pages 18 to 34 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 26 September 2022.



D. Cupit
Director

Registration number 04345764

Company Statement of financial position

as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments in Subsidiaries	9	17,810,474	16,256,360
Deferred tax assets	5	272,846	-
		<u>18,083,320</u>	<u>16,256,360</u>
Current assets			
Debtors	11	3,630,173	4,422,341
Cash at bank and in hand		10,270	107
		<u>3,640,443</u>	<u>4,422,448</u>
Creditors: amounts falling due within one year	12	<u>(17,314)</u>	<u>(15,210)</u>
Net current assets		<u>3,623,129</u>	<u>4,407,238</u>
Net assets		<u>21,706,449</u>	<u>20,663,598</u>
Capital and reserves			
Called up share capital – ordinary shares	13	700,001	700,001
Share premium reserve	13	7,831,823	7,831,823
Profit and loss account		<u>13,174,625</u>	<u>12,131,774</u>
Shareholders' funds		<u>21,706,449</u>	<u>20,663,598</u>

The notes on pages 18 to 34 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 26 September 2022.



D. Cupit
Director

Group cash flow statement

as at 31 December 2021

	2021 £	2020 £
Cash from operating activities		
Comprehensive income	11,536,011	3,051,479
Depreciation and amortisation	1,295,419	1,277,856
Revaluation of tangible fixed assets	21,065	48,839
Increase in debtors	(9,118,233)	(1,702,015)
Increase/(Decrease) in creditors	1,450,466	6,650,942
Tax provisions	8,219,167	1,309,732
Taxes paid	(1,816,187)	(6,202,884)
Revaluation on investments	(9,072)	4,831
Movement in deferred tax assets	(1,947,995)	(1,313,716)
Net cash from operating activities	9,630,641	3,125,064
Cash from investing activities		
Purchases of tangible fixed assets	(801,447)	(308,760)
Disposal of tangible fixed assets	-	3,354
Purchases of computer software	-	(9,843)
Fair value movement from investments	679,341	(674,997)
Net cash from investing activities	(122,106)	(990,246)
Cash from financing activities		
Minority interest repaid	-	(1,000)
Net cash from financing activities	-	(1,000)
Net cashflow	9,508,535	2,133,818
Cash - Opening balance	10,441,171	8,307,353
Cash - Closing balance	19,949,706	10,441,171
Net movement during the year	9,508,535	2,133,818

The notes on pages 18 to 34 form an integral part of these financial statements.

Group statement of changes in equity

For the year ended 31 December 2021

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £ 2021</i>
At 1 January 2021	700,001	7,831,823	33,194,025	41,725,849
Retained profit for the year	-	-	11,536,011	11,536,011
Minority interest repaid	-	-	-	-
At 31 December 2021	<u>700,001</u>	<u>7,831,823</u>	<u>44,730,036</u>	<u>53,261,860</u>

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £ 2020</i>
At 1 January 2020	701,001	7,831,823	30,142,546	38,675,370
Retained profit for the year	-	-	3,051,479	3,051,479
Minority interest repaid	(1,000)	-	-	(1,000)
At 31 December 2020	<u>700,001</u>	<u>7,831,823</u>	<u>33,194,025</u>	<u>41,725,849</u>

The notes on pages 18 to 34 form an integral part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2021

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £ 2020</i>
At 1 January 2021	700,001	7,831,823	12,131,774	20,663,598
Retained profit for the year	-	-	1,042,851	1,042,851
At 31 December 2021	<u>700,001</u>	<u>7,831,823</u>	<u>13,174,625</u>	<u>21,706,449</u>

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £ 2020</i>
At 1 January 2020	700,001	7,831,823	12,524,485	21,056,309
Retained profit for the year	-	-	(392,711)	(392,711)
At 31 December 2020	<u>700,001</u>	<u>7,831,823</u>	<u>12,131,774</u>	<u>20,663,598</u>

The notes on pages 18 to 34 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2021

1. Accounting policies

Basis of preparation

The financial statements for the period ended 31 December 2021 and have been prepared in accordance with FRS 102 and the Companies Act 2006 and represent financial information about the Company and the Group for the year ended 31 December 2021.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

Consolidation

The Group financial statements consolidate the financial statements of the Company and the following subsidiary undertakings drawn up to 31 December each year:

- Bregal Investments LLP
- Bregal Investments Inc
- Bregal Energy Inc
- Bregal Capital LLP
- Bregal Capital (UK I) LLP
- Bregal Capital (LP) Limited
- Bregal Freshstream LLP
- Bregal Unternehmerkapital GmbH
- BSI2 Hold Eggplant Inc
- Bregal Milestone LLP
- B.U. Italy Srl
- Bregal Unternehmerkapital II General Partner Sarl (100% disposal on 30 August 2021)
- BU Adhesives Co-Investment General Partner Sarl (100% disposal on 30 August 2021)
- Bregal Unternehmerkapital III General Partner Sarl (100% disposal on 30 August 2021)

No statement of comprehensive income is presented for the Company as permitted by section 408 of the Companies Act 2006. The profit on ordinary activities after tax for the Company was £1,042,851 (2020: loss of £392,711).

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Going concern

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. Effective 13 March 2020 in the UK, and 16 March 2020 in the US and Germany, the Group and Company's staff and members have worked from home adhering to the guidance provided by the national government relevant to each Group company.

In their assessment management has considered the basis on which it receives management fees for acting as investment advisor to the private equity fund, any impact COVID-19 might have

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

on the fair value of the private equity fund's investments and the Group and Company's fixed or variable ongoing expense to operate.

Management consider there will be no material direct financial impact on the Group and Company. This is because the fee income relates to advisory services it provides to funds and is based on either cost-plus basis, the funds invested capital or fund commitments and not on the fair value of the funds' investments.

Having performed this analysis management believes the Group and Company have sufficient liquidity to meet its liabilities for the next 12 months from the date of approval of these financial statements and that the preparation of the financial statements on a going concern basis remains appropriate as the Group and Company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. These have been applied consistently throughout the current year and preceding period.

Fee income

Fee income arises from continuing activities and is accounted for on an accruals basis. Fee income, which is stated net of value added tax, represents fees for investment advisory or administration services provided to entities domiciled in the United Kingdom, Jersey, The Netherlands, Switzerland and Germany.

Investment in subsidiaries

The Company's investment in subsidiaries are recorded at cost less impairment.

Investments in investment portfolio

Investments are carried at fair value and are classified as available-for-sale securities. Unrealised gains or losses are recognized in other comprehensive income. Realised gains and losses are determined on the basis of specific identification

The Group values its financial assets and liabilities based on 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. Accounting guidance emphasizes that fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, accounting guidance establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active
- c. Inputs other than quoted prices that are observable for the asset or liability
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the reporting entity's own data. However, market participant assumptions cannot be ignored and, accordingly, the reporting entity's own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The fair value hierarchy guidance gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

Taxation

United Kingdom corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 assets and liabilities are not discounted.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

Foreign currency

The Group's functional and presentation currency is the pound sterling.

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Assets and liabilities including long term liabilities in foreign currencies are translated into Sterling at rates of exchange ruling on the balance sheet date. Trading results denominated in foreign currencies are translated into Sterling at average rates of exchange during the year. Foreign exchange gains and losses are included in the statement of comprehensive income.

Fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets on a straight line basis over its expected useful life, as follows:

Property improvements	-	Over the period of the lease
Office equipment	-	3 years
Cars	-	5 years

Intangible assets

Computer software has been capitalised and is shown net of amortisation. It is amortised over 3 years.

Cash at bank and in hand

Cash is represented by cash held at bank and in hand, as detailed on the face of the statement of financial position.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, with the exception that the Group has taken advantage of the optional exemption available on transition to FRS 102 (Section 35) which allows lease incentives on leases entered into before the date of transition to FRS 102 to continue to be charged over the period to the first market rent review, rather than the term of the lease.

Rental income generated under operating leases is charged to the profit and loss account on a straight line basis over the lease term.

Financial instruments

Short term debtors and creditors

Debtors and creditors with no stated interest rate and payable within one year are recorded at transaction price, and are included in the statement of financial position.

Any losses arising from impairment of debtors are recognised as charges in the statement of comprehensive income.

2. Fee income

Income, which is stated net of value added tax, represents fees receivable for investment advice, and management fees provided during the year. Fees are recognised on a receivable basis.

An analysis of income by geographical market is given below:

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

	2021 £	2020 £
Jersey	89,943,103	105,248,154
United Kingdom	200,000	200,000
Switzerland	4,240	44,134
Luxembourg	34,514,980	6,277,242
USA	161,580	207,685
Total fee income	<u>124,823,903</u>	<u>111,977,215</u>

3. Operating profit

This is stated after charging:

	Group 31 December 2021 £	Group 31 December 2020 £
Auditors' remuneration - Group	142,421	145,856
Auditors' remuneration - Company	20,000	14,000
Auditors' remuneration - CASS	8,925	-
Depreciation and amortization	1,295,419	1,277,856
Operating leases	3,235,170	4,090,871
Foreign exchange (gain)/loss	<u>152,698</u>	<u>(5,445)</u>

4. Directors' remuneration

	2021 £	2020 £
Aggregate remuneration in respect of qualifying services	<u>2,579,999</u>	<u>2,477,293</u>
In respect of the highest paid director:		
Aggregate remuneration	1,534,695	1,534,086
Accrued pension at the year end	-	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

5. Tax on profit on ordinary activities

(a) Analysis of charge in year

	2021 £	2020 £
Current tax:		
UK Corporation tax on profit for the year	1,103,858	(89,363)
Prior year under / (over) provision	(164,499)	(229,303)
Foreign tax	4,709,616	1,218,506
Total current tax	5,648,975	899,840
Deferred tax:		
Adjustments to tax charge in respect of prior period	(1,507,745)	(1,250,696)
Tax charge on profit on ordinary activities	4,141,230	(350,856)

(b) The tax assessed for the year is higher than the standard rate of corporation tax in the UK at 19.0% (2020: 19.0%). The differences are explained below:

	2021 £	2020 £
Corporation tax on UK entities	1,103,858	(89,363)
Tax on foreign entities at 19%	2,421,285	844,239
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 19.0% (2020: 19.0%)	3,525,143	754,876
Effects of:		
Prior year under / (over) provision	(164,499)	(229,303)
Impact of differently taxed overseas subsidiaries in overseas locations	2,288,331	374,267
Total tax charge for the year	5,648,975	899,840

(c) Deferred tax assets

	2021 £	Group 2020 £
At 1 January	2,076,072	762,357
Adjustment in respect to prior year*	511,530	-
Deferred tax movement in income statement	1,507,744	1,250,696
Foreign exchange rate movement	(71,278)	63,019
At 31 December	4,024,068	2,076,072

*In prior year the amounts were included within debtors.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

The net deferred tax asset consists of:

Temporary timing differences	4,095,346	2,013,053
Exchange adjustment	(71,278)	63,019

At 31 December	4,024,068	2,076,072
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	Company 2021 £	2020 £
At 1 January	0	0
Adjustment in respect to prior year*	120,298	
Deferred tax movement	152,548	0
Foreign exchange rate movement	0	0
At 31 December	272,846	0

*In prior year the amounts were included within debtors.

The deferred tax asset relates to timing differences between the taxable income allocated from the Partnership versus the accounting income recorded in the financial statements, and to net temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases that will result in future deductions.

At Budget 2021, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2021 and 2022 would remain at 19%. The deferred tax asset at 31 December 2021 has been calculated based on this rate.

6. Employees

	Year ended 31 December 2021 Number	Year ended 31 December 2020 Number
The average number employed by the Group was:	174	163
The costs incurred in respect of these employees were:	£87,322,484	£86,842,373
		£
Wages and salaries	80,670,168	80,773,894
Social Security costs	4,820,655	4,010,738
Pension costs	827,109	988,331
Other staff costs	1,004,552	1,069,410
	87,322,484	86,842,373

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

7. Tangible Fixed Assets

	Leasehold improvements	Office equipment and computers	Total
Cost	£	£	£
At 1 January 2021	7,811,565	3,348,456	11,160,021
Additions	318,323	483,124	801,447
Disposals	-	-	-
Revaluation	18,964	(6,070)	12,891
At 31 December 2021	8,148,852	3,825,510	11,974,359
Depreciation			
At 1 January 2021	(5,493,750)	(2,973,985)	(8,467,736)
Charge for the year	(1,041,262)	(244,714)	(1,285,976)
Disposals	-	-	-
Revaluation	(31,222)	(2,221)	(33,443)
At 31 December 2021	(6,566,234)	(3,220,920)	(9,787,155)
Net book value			
At 1 January 2021	2,317,815	374,471	2,692,286
At 31 December 2021	1,582,618	604,590	2,187,208

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

7. Tangible Fixed Assets (continued)

	Leasehold improvements	Office equipment and computers	Total
Cost	£	£	£
At 1 January 2020	7,798,063	3,324,829	11,122,892
Additions	166,459	142,301	308,760
Disposals	-	(57,018)	(57,018)
Revaluation	(152,957)	(61,656)	(214,613)
At 31 December 2020	7,811,565	3,348,456	11,160,021
Depreciation			
At 1 January 2020	(4,561,763)	(2,857,771)	(7,419,534)
Charge for the year	(1,039,188)	(227,925)	(1,267,113)
Disposals	-	53,664	53,664
Revaluation	107,201	58,047	165,248
At 31 December 2020	(5,493,750)	(2,973,985)	(8,467,735)
Net book value			
At 1 January 2020	3,236,300	467,058	3,703,358
At 31 December 2020	2,317,815	374,471	2,692,286

8. Intangible fixed assets

	Computer software 2021	Computer software 2020
Cost	£	£
At 1 January	84,175	74,584
Additions	-	9,843
Revaluation	(1,310)	(252)
At 31 December	82,865	84,175
Amortisation		
At 1 January	(66,932)	(56,967)
Charge for the year	(9,443)	(10,743)
Revaluation	794	778
At 31 December	(75,581)	(66,932)
Net book value	7,284	17,243

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

9. Investment in subsidiaries and related undertakings (for the Limited Company only)

The Company owns directly or indirectly (*) the following subsidiaries:

Name	Place of incorporation	Principal activity	Registered office	Class of shares	Holdings *
Bregal Capital (LP) Limited	UK	Investment holding company	Michelin House 81 Fulham Road, London SW3 6RD	Ordinary shares	100%
Bregal Energy Inc	US	Investment advisory services	277 Park Avenue 29 th Floor New York NY 10172	Ordinary shares	100%
Bregal Freshstream LLP	UK	Investment advisory services	Michelin House 81 Fulham Road, London SW3 6RD	Members' capital	100%
Bregal Investments Inc	US	Investment advisory services	277 Park Avenue 29 th Floor New York NY 10172	Ordinary shares	100%
Bregal Investments LLP	UK	Investment advisory services	Michelin House 81 Fulham Road, London SW3 6RD	Members' capital	100%
Bregal Milestone LLP	UK	Investment advisory services	Michelin House 81 Fulham Road, London SW3 6RD	Members' capital	100%
Bregal Unternehmerkaptal GmbH	Germany	Investment sub-advisory services	Marstallstrasse 11 D-80539 Munich	Ordinary shares	100%
BSI2 Hold Eggplant Inc	US	Investment holding company	277 Park Avenue 29 th Floor New York NY 10172	Ordinary shares	100%
B.U. Italy Srl	Italy	Investment sub-advisory services	Via Del Lauro 1 20121 Milan	Ordinary shares	100%
Bregal Capital GP (UK I) LLP	UK	Participate in limited partnerships	Michelin House 81 Fulham Road, London SW3 6RD	Members' capital	100%*
Bregal Capital LLP	UK	Investment advisory services	Michelin House 81 Fulham Road, London SW3 6RD	Members' capital	100%*

*Indirectly held entities are owned via Bregal Capital (LP) Ltd. Bregal Capital GP (UK I) LLP is directly owned 50% by the Company and 50% by Bregal Capital (LP) Ltd. Bregal Capital LLP is owned 100% directly by Bregal Capital (LP) Ltd.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

9. Investment in subsidiaries and related undertakings (for the Limited Company only) (continued)

	2021 £	2020 £
Bregal Investments LLP		
Initial members' capital	5,000	5,000
Receivable	10,675,500	9,089,241
Bregal Freshstream LLP		
Initial members' capital	50,000	50,000
Bregal Capital GP (UK I) LLP		
Initial members' capital (EUR 500)	392	392
Bregal Investments Inc		
1,000 common shares (at cost)	4,295,669	4,295,669
Bregal Energy Inc		
100 common shares (at cost)	2,685,085	2,685,085
Bregal Capital (LP) Limited		
25,000 ordinary shares of EUR 1 and 1 ordinary share of £ 1 (at cost)	21,281	21,281
Bregal Unternehmerkapital GmbH		
25,000 ordinary shares of EUR 1 (at cost)	18,537	18,537
BSI2 Hold Eggplant Inc		
1 ordinary share of USD 1 (at cost)	1	1
Bregal Milestone LLP		
Initial members' capital	49,999	49,999
Bregal Unternehmerkapital II General Partner Sarl		
12,000 ordinary shares of EUR 1 (at cost)	-	10,612
BU Adhesives Co-Investment General Partner Sarl		
12,000 ordinary shares of EUR 1 (at cost)	-	10,801
Bregal Unternehmerkapital III General Partner Sarl		
12,000 ordinary shares of EUR 1 (at cost)	-	10,733
B.U Italy Srl		
10,000 ordinary shares of EUR 1 (at cost)	9,010	9,010

The receivable from Bregal Investments LLP, is unsecured, interest free, is repayable on demand and has no fixed date for repayment.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

During August 2021, the Company disposed of 100% of the issued shares in BU Adhesives Co-Investment General Partner Sarl, Bregal Unternehmerkapital II General Partner Sarl and Bregal Unternehmerkapital III General Partner Sarl.

10. Investments in investment portfolio

The movement in level 3 instruments for the year ended 31 December 2021 was:

	2021	2020
	£	£
Cost as at 1 January	141,536	139,407
Revaluation brought forwards	670,060	2,024
Net book value brought forward	811,596	141,431
FX revaluation during the year	9,070	(4,831)
Additions	-	2,129
Investment revaluation during the year	(679,341)	672,867
Net book value at 31 December	141,325	811,596

As at 31 December 2021, Bregal Investments Inc and BSI2 Hold Eggplant Inc, held investments in available for sale securities as follows:

Description	31 December 2021		Quoted prices in active markets for identical assets (Level 1) Original currency	Significant other observable inputs (Level 2) Original currency	Significant unobservable inputs (Level 3) Original currency
	GBP equivalent	Original currency			
Shares in Laureate Education Inc.	£96,010	\$129,691	-	-	\$129,691
Bregal Sagemount Credit Opportunities Co-investment Fund LP	£45,315	\$61,213	-	-	\$61,213
Total	£141,325	\$190,904	-	-	\$190,904

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

10. Investments in investment portfolio (continued)

At December 31, 2021, BII owned shares in Laureate Education, Inc. BII owned 11,773 shares of Laureate Education, Inc. with a fair value of \$129,691 and cost of \$270,000. The investment in Laureate has been valued using the closing price of Laureate stock as of December 31, 2021 net of a 10% discount due to certain trading restrictions.

At December 31, 2021, BSI2 held an investment in Bregal Sagemount Credit Opportunities Co-Investment Fund LP, a Delaware Limited Partnership, with capital contributed of \$45,989 and a fair value of \$61,213. The fair value of the investment has been determined by the General Partner of the fund in accordance accounting standards and has been provided to BSI2 in a capital statement for investors.

The following table summarises the quantitative inputs used for investment within level 3 of the valuation hierarchy as of 31 December:

Industry	Fair value	Valuation methodology	Unobservable input	Range
Education	\$129,691	Discount to similar investment	Discount rate	10%
Fund	\$61,213	Net asset value	Net asset value	N/A

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

11. Debtors – due less than one year

	Group	Company	Group	Company
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
	£	£	£	£
Trade debtors	36,247,608	-	26,051,194	-
Other debtors	12,525,858	3,311,436	10,396,769	3,781,471
Loan receivable by Bregal Freshstream LLP	-	-	1,637,994	-
Tax receivable	1,083,087	318,737	4,171,402	520,572
Prepayments and accrued income	3,709,036	-	5,278,310	-
	<u>53,565,589</u>	<u>3,630,173</u>	<u>47,535,669</u>	<u>4,422,341</u>

The Group has provided a loan facility to Directors and employees in order to assist them to fund their co-investments in various Bregal Managed Partnerships. During the year £1,015,455 (2020: £853,386) was granted to the Directors and £153,829 (2020: £806,278) repaid by the Directors. At the year-end £2,180,786 (2020: £1,323,628) were the total loans outstanding from the Directors. Drawdowns on the facilities occur when the relevant Bregal Managed Partnerships issue call notices and repayments occur when the partnerships make distributions. These loans bear interest at the higher of 2% plus base or the HMRC minimum rate and have no fixed date for repayment.

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

12. Creditors: amounts falling due within one year

	Group	Company	Group	Company
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
	£	£	£	£
Accounts payable	1,647,963	10,314	742,906	8,210
Other creditors	5,401,310	-	3,062,969	-
Tax payable	3,314,665	-	-	-
Accruals and deferred income	11,416,486	7,000	10,837,594	7,000
Amount due to group undertakings	4,832,898	-	7,204,721	-
	<u>26,613,322</u>	<u>17,314</u>	<u>21,848,190</u>	<u>15,210</u>

13. Share capital

	2021 £	2020 £
Authorised 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and allotted 700,001 ordinary shares of £1 1,000 shares of £1 (minority shareholders within the group)	<u>700,001</u> -	<u>700,001</u> -
Share premium	7,831,823	7,831,823

14. Operating lease commitments

At 31 December 2021 the Group had future minimum commitments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within one year	3,235,170	4,090,871
In two to five years	2,028,138	3,692,042
In over five years	253,340	-

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

15. Related party transactions

All of the entities listed below are subsidiaries of COFRA Holding AG which is the immediate and ultimate parent company, resident in Switzerland.

As at 31 December 2021 amounts included in creditors in relation to subsidiaries of the COFRA group are:

- Bregal Freshstream General Partner Jersey Limited £nil (2020: £276,210)
- Bregal General Partner Jersey Ltd £nil (2020: £393,903)
- Bregal Milestone General Partner Jersey Limited £259,353 (2020: £259,353)
- Bregal Partners II General Partner Jersey Ltd \$nil (2020: \$378,983)
- Bregal Sagemount Credit Opportunities Fund II Manco Ltd \$1,391,948 (2020: \$54,671)
- Bregal Sagemount Credit Opportunities Fund II-O GP Ltd \$nil (2020: \$56,223)
- Bregal Sagemount III General Partner Jersey Limited \$nil (2020: \$529,271)
- Bregal Sagemount III Jersey Limited \$nil (2020: \$398,775)
- Bregal North America General Partner Jersey Limited \$451,288 (2020: \$nil)
- Cofra Treasury Sarl £6,324,129 (2020: £6,669,158)

Similarly, the amounts in debtors include:

- Bregal General Partner Jersey Limited £256,965 (2020: £8,101,367)
- Bregal North America General Partner Jersey Limited \$nil (2020: \$2,360,084)
- Bregal Sagemount II General Partner Jersey Limited \$nil (2020: \$161,474)
- Bregal Sagemount II Jersey Limited \$nil (2020: \$33,168)
- Bregal Sagemount Credit Opportunities Fund II-O GP Ltd \$19,814 (2020: \$nil)
- Bregal Unternehmerkapital General Partner Limited £164,960 (2020: £210,843)
- Cofra GB Ltd £3,148 (2020: £22,677)
- Cofra Holding AG £7,471 (2020: £10,697)
- Cofra North America Inc \$152,949 (2020: \$16,273)
- Cofra Treasury Sarl £36,026,591 (2020: £16,605,679)
- Good Energies General Partner Jersey Limited \$440 (2020: \$33,365)

During 2021, the Group has charged £658,937 (2020: £766,705) to Cofra G.B. Limited for rent, service charges and other occupancy costs.

In 2021, recharges in relation to services rendered to the Group have been charged to Cofra Holding AG of £330,000 (2020: £330,000).

During the year the Group has been charged interest by Cofra Treasury Sarl of £134,136 (2020: £143,500).

Notes to the Financial Statements (continued)

for the year ended 31 December 2021

15. Related party transactions (continued)

Included in turnover is advisory fee income of:

- £1,820,969 (2020: £8,853,093) from Bregal Freshstream General Partner Jersey Limited
- £11,662,259 (2020: £18,992,602) from Bregal General Partner Jersey Limited
- £7,178,982 (2020: £8,323,861) from Bregal Milestone General Partner Jersey Limited
- £3,913,054 (2020: £nil) from Bregal Milestone II General Partner Jersey Limited
- £5,723,566 (2020: £883,825) from Bregal North America General Partner Jersey Limited
- £8,657,961 (2020: £9,369,731) Bregal Partners II General Partner Jersey Limited
- £816,583 (2020: £1,376,926) Bregal Sagemount Credit Opportunities Fund II Manco Limited
- £999,565 (2020: £1,416,024) Bregal Sagemount Credit Opportunities Fund II-O GP Limited
- £5,177,876 (2020: £7,170,290) Bregal Sagemount II General Partner Jersey Limited
- £1,064,617 (2020: £1,064,230) Bregal Sagemount II Jersey Limited
- £11,841,682 (2020: £12,595,477) Bregal Sagemount III General Partner Jersey Limited
- £9,307,473 (2020: £9,518,872) Bregal Sagemount III Jersey Limited
- £5,306,354 (2020: £5,703,291) from Bregal Unternehmerkapital General Partner Limited
- £2,852,751 (2020: £3,128,530) Good Energies General Partner Jersey Limited

16. Ultimate parent company

In the opinion of the directors, the immediate and ultimate parent company and controlling party is Cofra Holding AG, resident in Switzerland.

17. Subsequent events after balance sheet date

There are no subsequent events to report up to the date of signing.

Streamlined Energy and Carbon Report

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Calculations and data have used Computis Platform V12

Reporting Requirements	Data Type	Current reporting year (Data 2023)		Comparison reporting year (Data 2022)	
		Use and efficiency (improvement)	Global (including use and efficiency) (Optional)	Use and efficiency (improvement)	Global (including use and efficiency) (Optional)
Mandatory	Energy consumption used to calculate emissions (Scope 1 emissions) - option to provide separate figures for each process, equipment and other use (if relevant)	321,708.93	not applicable	6,377.11	not applicable
	Electricity from the grid (kWh)	71,977.13	not applicable	0.00	not applicable
	Internally self-generated electricity (kWh)	248,971.80	not applicable	11,024.50	not applicable
	Renewable Gas (kWh)	0.00	not applicable	0.00	not applicable
	Other Carbonable fuels (kWh)	0.00	not applicable	0.00	not applicable
Optional: use to calculate emissions	Renewable Heat (kWh)	0.00	not applicable	0.00	not applicable
Optional: use to calculate emissions	Renewable from combination of renewable gas (CO ₂ - Figure 1)	0.00	not applicable	0.00	not applicable
Mandatory	Renewable from combination of (a) fuel (transport purposes (CO ₂ - Figure 1)) (b) Renewable from biomass (fuel is used as an employee-owned vehicle where company is responsible for providing the fuel (CO ₂ - Figure 3))	0.00	not applicable	0.00	not applicable
Mandatory	Renewable from purchased electricity (CO ₂ - Figure 2, location-based)	15.66	not applicable	15.71	not applicable
Mandatory	Total gross CO ₂ s based on above	61.00	not applicable	73.87	not applicable
Mandatory	Intensity ratio (CO ₂ s per figure based on mandatory fields above £1 million revenue	0.29	not applicable	1.48	not applicable

		See notes below	See notes below
Mandatory	Mandatory		
Mandatory	Energy efficiency action plans	Throughout 2021, large firms are not required to submit action plans to carbon trust and must submit a report on energy efficiency every year for efficiency over the next three years ID30: renewable energy for its offices	not applicable

Optional	From other activities within the company zone or control including operation of facilities (Scope 1)	0	not applicable	0	not applicable
Optional	Excludes from purchased electricity (Scope 2, market-based) Excludes from fuel, steam and cooling purchase of own or control (Scope 2)	not available	not available	not available	not available
Optional	Excludes from contract use of purchased electricity and fuel for which the emissions from use of fuel and cooling are not covered by the company zone or control (Scope 3) / CO ₂ e	8.12	not applicable	7.33	not applicable
Optional	Excludes from electricity related to extraction, production, and transportation of fuel (Scope 3) / CO ₂ e	4.08	not available	2.17	not available
Optional	Excludes from purchase of electricity that is sold to or not used for within the company zone or control (Scope 3) / CO ₂ e	not applicable	not applicable	not applicable	not applicable
Optional	Excludes from generation of electricity that is consumed in a transportation and distribution system for which company does not own or control (Scope 3) / CO ₂ e	1.15	not applicable	1.54	not applicable
Optional	Excludes from transportation of purchased fuel for which the company does not own or control (Scope 3) / CO ₂ e	not applicable	not applicable	not applicable	not applicable
Optional	Excludes from transportation of assets and off-product / agricultural control (Scope 3) / CO ₂ e	not available	not available	not available	not available
Optional	Excludes from transportation of off products for which the company does not own or control (Scope 3) / CO ₂ e	not applicable	not applicable	not applicable	not applicable
Optional	Fuel gas Scope 1 emissions / CO ₂ e	13.94	not applicable	11.43	not applicable
Optional	Fuel gas Scope 1, Scope 2 (heating) / market 2 Scope 1 emissions / CO ₂ e	77.03	not applicable	84.03	not applicable
Optional	Carbon offset / CO ₂ e	not applicable	not applicable	not applicable	not applicable
Optional	Domestic Carbon Units (e.g. Modified Carbon Cuts, Verified Carbon Cuts) / CO ₂ e	not applicable	not applicable	not applicable	not applicable
Optional	Total annual off emissions / CO ₂ e	77.03	not applicable	84.03	not applicable
Optional	Additional forestry assets CO ₂ e net figure / e.g. £100,000 revenue	not available	not available	not available	not applicable
Optional	Third Party Verification	Verified by Audiot Ltd 09/09/2023	not applicable	Verified by Audiot Ltd 10/09/2023	not applicable

Methodology	<p>In order to complete this S&P report for the year 2021, the following methodology was undertaken:</p> <ol style="list-style-type: none">1. ASSESSMENT OF QUALIFICATION TO S&P: The reporting participation mechanisms in relation to the Streamlined Energy and Carbon Reporting (SECR) scheme were assessed based on the latest available evidence based by the Government Environment Reporting Guidelines, including streamlined energy and carbon reporting guidance, March 2019. As at March 2021, Aswatik Ltd did provide continuity covering the qualification criteria and their application to the organisation's operations. The assessment of the reporting conditions led to the conclusion that the organisation fits within the scope of SECR as a large electricity or "large industrial company" during the year 2021.2. REVIEW OF COMPANY STRUCTURE AND REPORTING ISOLATING S&P ON FINANCIAL YEAR: The company's organisation was reviewed in detail in order to determine whether any subsidiaries part of the same corporate group made use of the correct doublets were made with regard to group reporting. In order to ensure relevant qualification requirements were assessed independently, the financial year followed by each company was also checked, in order to ensure that the correct doublets were made with regard to group reporting.3. IDENTIFICATION OF ENERGY CONSUMPTION DATA DATA SOURCES: The next step of the reporting process was the identification of all the energy consumption data with the organisation. This meant the identification of all the physical assets and data centre within the company were across types of energy delivered and used, including natural gas and electricity, the scope of reporting defined by SECR. However, possibly the energy consumption was gathered from by meter, this applies to electricity and natural gas, thereby reporting the availability of reading as to energy supply of the energy consumption data and possible reduction verification, all data supplied electricity and natural gas data, therefore, comes directly from the meters or annual statements issued by the Energy Suppliers and is measured in kWh.4. DATA COLLECTION AND ENTRY IN COMPANY: All energy consumption data has been collected on a standardised carbon and energy accounting software, CompuLink (https://compu-link.com/). CompuLink enables organisations to comply with their electricity and natural gas and energy reporting requirements in line with the requirements of the GHG Reporting Protocol, European Standard and ISO 14064. The entire system is designed to ensure that the data is accurate and reliable, and that the reporting process is transparent and auditable. The data is collected from the company's energy suppliers and is entered into the system, which is then used to generate the reporting data. The data is also subject to a rigorous audit process, ensuring that the data is accurate and reliable. The reporting process is also subject to a rigorous audit process, ensuring that the data is accurate and reliable. The reporting process is also subject to a rigorous audit process, ensuring that the data is accurate and reliable.5. DATA VERIFICATION AND QUALITY CHECKS: The energy consumption data entered in CompuLink is checked for completeness and correctness. The software system automatically flags any gaps, discrepancies and potential inaccuracies in the data, which are referred back to the data suppliers and discussed with the users who manually entered the data in CompuLink. Wherever possible, data is also subject to direct cross-reference against the original data source.6. CALCULATION OF EMISSIONS AND REPORTING METRICS: Once the data has been verified and validated, CompuLink produces a report suitable for compliance with the requirements of the SECR scheme. The report includes a detailed breakdown of the company's energy consumption and emissions, as well as a summary of the company's overall performance. The report is also subject to a rigorous audit process, ensuring that the data is accurate and reliable.7. DESCRIPTION OF ENERGY EFFICIENCY ACTIONS: Before finalising the report, the reporting organisation has to provide a narrative description of the principal measures taken for the purpose of increasing the low-carbon energy efficiency. The report is also subject to a rigorous audit process, ensuring that the data is accurate and reliable.8. REPORT FINALISATION, DISCUSSION AND SIGN-OFF: Once the SECR report is finalised, the results are discussed with the Sustainability Department and/or the Finance Team of the reporting organisation, who will proceed to sign off the report, which is submitted to CompuLink.
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