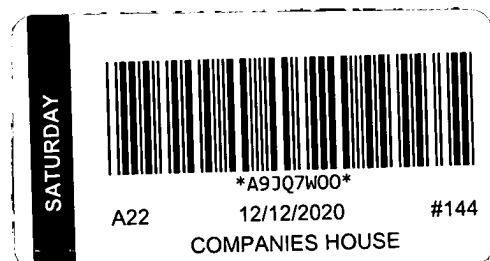


**BRIDGES FUND MANAGEMENT LIMITED**  
**ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Company No 10401079**



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**COMPANY INFORMATION**

Directors	Michele Giddens Stephen Morrison Philip Newborough Paul Richings Simon Ringer Antony Ross Brian Trelstad
Company Secretary	Paul Richings
Registered Office	38 Seymour Street London United Kingdom W1H 7BP
Bank	The Royal Bank of Scotland International Ltd 1 Princes Street London EC2R 8BP
Legal Advisers	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Independent Auditor	Deloitte LLP Statutory Auditor Hill House 1 Little New Street London EC4A 3TR

**Strategic Report**

for the year ended 31 March 2020

Bridges Fund Management Limited ("the company") was incorporated on 29 September 2016, and commenced trading on 1 March 2017, the date on which, pursuant to a business transfer agreement, it took over the private equity fund management business of Bridges Ventures LLP. The business transfer entailed a share for share exchange, following which the company became parent entity to all the former subsidiaries of Bridges Ventures LLP ("the LLP"), together comprising the Bridges Group ("the group"). As of that date the company also took on all the fund management and other contracts to which the LLP was formerly party.

**Review of the business**

The group's business is that of a specialist private funds investment manager and/or adviser. It invests in a range of private markets solutions that support the transition to a more inclusive and sustainable economy, seeking to achieve both attractive financial returns and measurable social and environmental impact.

Based in the UK, with a subsidiary in the US and an affiliate in Israel, the group invests via four strategies: Growth Business; Property; Long-term Capital and Outcomes Contracts. Across all these strategies, its investment teams focus on four specific themes to help them source and select compelling investment opportunities: Healthier Lives, Future Skills, Sustainable Planet and Stronger Communities. Closely aligned with the Sustainable Development Goals, these themes reflect social and environmental mega-trends that are re-shaping our world.

The group is also recognised for its industry-leading expertise in impact measurement and management. Its specialist in-house impact management team works closely alongside the group's investment professionals, providing expertise and tools to optimise the impact of the group's investments and capture the lessons learned. The group then draws on this accumulated knowledge to support the growth of the broader market via third-party advisory work (Bridges Impact Advisory) and independent, non-profit field-building activities and thought leadership (Bridges Insights).

The year began amidst ongoing uncertainty over the arrangements for the UK's withdrawal from the European Union; this lack of clarity persisted throughout the remainder of 2019, although it was mitigated to some extent by the UK Parliament's ratification of the EU withdrawal agreement following the December 2019 General Election. However, this period of uncertainty was rapidly followed by the onset of the COVID-19 crisis, which had a substantial effect on trading of Bridges portfolio assets towards the end of the year and is likely to have profound implications for the UK and global economy in the months and years ahead.

Against this backdrop, the group was nevertheless able to hold a final close for its second Social Outcomes Fund at £35m, having received investor consent to exceed the original hard cap of £30m. The group continues to benefit from managing a diversified range of funds at varying stages of their respective cycles, and as such enjoys a stable and predictable revenue stream. The group completed 14 new investments across its platform of funds during the year. Highlights included Sustainable Growth Fund IV's acquisition of GEV Wind Power, which is supporting the transition to renewable energy by maintaining and repairing wind turbines; Property Alternatives Fund IV's acquisition of further development sites in Hastings and Coventry; and the Social Outcomes Fund's commitments to three new projects that are helping single people at risk of homelessness in London, working with young women who have had multiple children taken into care, and providing housing and employment support in Yorkshire.

The group also achieved a number of successful exits across the platform despite the ongoing economic uncertainty notably Bridges Property Alternatives Fund IV's sale of a highly sustainable commercial office development in Shoreditch, and the U.S. Sustainable Growth Fund's sale of Impact Fitness, a low-cost gym business in the U.S.

This year also saw more remarkable progress for the Impact Management Project, a global initiative led by a team from Bridges Insights, the group's field-building arm to build consensus around how to measure, manage and report social and environmental performance. Launched in 2016, the IMP began by bringing together a global community of over 2,000 practitioners, to develop a shared definition of "impact" and the related types of data required for measurement and disclosure. In 2018, the IMP moved into an even more ambitious phase: facilitating an unprecedented collaboration between 13 of the world's leading standard-setting organisations. Via the IMP, these organisations are coordinating their efforts in order to achieve a shared vision of global, generally accepted standards for measuring and managing social and environmental performance. The group continues to believe that this unique collaboration has the potential to transform the way business and investors understand and account for their impact on people and the planet.

Since the onset of the COVID-19 crisis, the group has been working hard to mitigate the impact on the portfolio and protect value for investors, whilst also making sure that the group's assets are well-positioned for the post-COVID recovery. When the crisis hit, the group responded rapidly, creating a cross-team taskforce to share best practice and coordinate its response across the platform. The initial focus was on safeguarding the Bridges team and other stakeholders, and on maintaining business or service continuity. From a portfolio perspective, this included the drawing down of available revolving credit facilities; the provision of careful and frequent updates to debt providers; cash flow modelling for all assets; understanding the downside scenarios; and working with management teams to apply for tax extensions and explore the use of available government support schemes.

Subsequently, the group has focused on Impact-driven innovation across the platform, with a view to protecting the most vulnerable and positioning its assets for long-term success. For instance, it has been working with its partners to develop new delivery models for existing services, while also supporting safeguarding measures through a portfolio-wide initiative to procure personal protective equipment. A number of the group's investments have made significant contributions to their local communities: including Impact Food Group, which has been providing packed lunches for vulnerable children and takeaway meals for NHS workers, and West London Zone, which has raised over £35,000 to buy food and IT equipment for families suffering during lockdown.

**Strategic Report (continued)**  
for the year ended 31 March 2020**Key performance indicators**

The group generated total comprehensive income of £3,636,359 in the year to 31 March 2020 (year to 31 March 2019: £2,276,750). The Group's income is derived predominantly from the management of 10 private investment funds, with a further five funds having reached the end of their fixed lives during prior periods. The company acts as liquidating trustee to terminated funds pending completion of the winding-up process, which was achieved during the prior year for the Care Places Fund. This leaves four funds currently in liquidation.

The group has raised commitments exceeding £1bn since inception of the Bridges platform in 2002, including the additional commitments raised for Social Outcomes Fund II during the year; £832m of this is committed to 'live' funds currently under management. At 31 March 2020, the group had cash reserves totalling £6,538,785 (31 March 2019: £3,985,421).

**Principal risks and uncertainties****Performance risk**

The group manages primarily closed-ended alternative investment funds. Its ability to continue to trade relies on its success in raising new funds in the future. This will be determined both by the prevailing market conditions when funds are raised, and also the performance of previous funds, both in financial and impact terms. In the event that fund performance falls below expectations, future fund raising may be difficult. The group mitigates this risk in a number of ways. It has refined its investment strategy over a number of years, and will target investments where its thematic approach can add value throughout the investment cycle. The group has a clear, replicable investment process, and employs a high-calibre, experienced team to execute its strategy.

**Regulatory Risk**

As a financial services business authorised and regulated by the Financial Conduct Authority ("the FCA"), the company is subject to relevant FCA and EU regulations including the Alternative Investment Fund Managers Directive ("AIFMD"). The company is therefore exposed to the risk that it will breach one or more regulatory rules, including those governing the maintenance of appropriate levels of regulatory capital and liquid capital. The company closely monitors its current and forecast regulatory capital position, ensuring that it will at all times have sufficient headroom above the requirements. Furthermore, it has in place a comprehensive risk and control framework which it reviews on an ongoing basis and amends where appropriate in response to changes in its activities or developments in the external regulatory environment.

The company is also registered in the US with the Securities and Exchange Commission ("SEC") as an Exempt Reporting Adviser, by virtue of the fund management activity of its US subsidiary, Bridges Ventures Inc. ("BV Inc. "). Once the level of relevant assets managed by the group from a place of business within the U.S. exceeds €150m, the company will need to become a fully registered adviser, and as such will become subject to the full suite of SEC rules. The directors do not expect that this threshold will be exceeded in the short term; current US assets are excluded from the calculation by virtue of the exemption available to Small Business Investment Companies. The group closely monitors current and forecast levels of assets under management for the purposes of the SEC rules, which will allow it to adapt its compliance procedures well in advance of any change in its regulatory status.

**Future developments**

The directors expect that the group will continue to provide private equity fund management services for the foreseeable future, and will seek to find, develop and then realise investments on behalf of the funds that it manages.

The activity levels of the group have increased over time as it has successfully raised additional and larger funds. The directors believe that the COVID-19 crisis will accelerate the transition towards a more inclusive and sustainable economy, and therefore expect that this trend will continue.

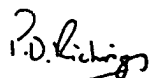
Although the UK has now left the European Union, the transitional period is scheduled to continue until 31 December 2020. The terms of any future trade deal that would apply after this date remain unclear, but may have an impact on the group's ability to market its future funds within the EU.

While the impact of the COVID-19 crisis continues to be felt, there have been no significant new events between the Balance Sheet date and the date of signing these accounts.

**Financial risk management objectives and policies**

The group's activities expose it to a number of financial risks including credit risk, liquidity risk and cash flow risk. The group does not use derivative financial instruments for speculative purposes. More detail on these risks can be found in the Directors' report on page 5.

Approved by the board and signed on its behalf:



Paul Richings  
Director  
16 July 2020

**Directors' Report**

For the year ended 31 March 2020

The directors present their report on the affairs of the group, together with the financial statements and auditor's report, for the year ended 31 March 2020.

**Future developments**

Details of future developments and events that have occurred after the Balance Sheet date can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

**Going concern**

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In particular they have considered the possible impact of the coronavirus ("COVID-19") on the group's continuing ability to operate, which would be an issue in the event that significant numbers of investors were in default following a capital call. The group's revenue is primarily derived from investment management fees, coming from a diversified body of investors across the group's range of funds, of whom the majority by value are financial institutions. The directors believe that the group's investors are financially secure and that the possibility that they will default when capital is called is remote. The directors therefore continue to adopt the going concern basis in preparing the financial statements.

**Financial risk management objectives and policies**

The group's activities expose it to a number of financial risks including credit risk, liquidity risk and cash flow risk. The group does not use derivative financial instruments for speculative purposes.

**Credit risk**

The group's principal financial assets are bank balances and cash, trade and other receivables.

The group's credit risk is primarily attributable to its management and monitoring fee receivables. Management fees account for substantially all of the group's revenue, and arise from the group's fund management contracts. To the extent that the underlying limited partners in a fund do not advance capital when requested to do so, there may be insufficient cash available to cover the management fee. This risk is mitigated by the due diligence undertaken by the group before admitting investors to a fund; by the binding nature of commitments created by each fund agreement, and because the exposure is spread across a number of funds and investors.

The group is also entitled to receive monitoring fees from portfolio companies. There is a risk that portfolio companies may be unable to pay these amounts due to trading or general economic circumstances. The receipt of monitoring fees is in general accompanied by an equivalent reduction in management fees earned from the relevant fund. In the event that monitoring fees are not received, there would be a commensurate reduction in the management fee offset.

The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of a receivable.

The credit risk relating to liquid funds is limited, because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**Liquidity risk**

The group is exposed to the risk that it maintains insufficient liquidity to ensure that funds are available for ongoing operations and future developments. However, to comply with its regulatory obligation to hold liquid capital, it is required to hold substantially all of its reserves in liquid assets, primarily cash. There is therefore a minimal risk that insufficient liquidity will be available.

**Directors' Report (continued)**

For the year ended 31 March 2020

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issue or factors affecting similar financial instruments traded in the market. The unquoted investments managed by the group are susceptible to market risk arising from uncertainties about their fair values and also the impact of changes in the market prices of the comparable multiples used to value each investment portfolio. Such uncertainties would include the impact of pandemics such as COVID-19. This in turn may affect the group's ability to raise further investment funds.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group typically has no investments that are directly linked to market interest rates, and is therefore not subject to a significant risk exposure due to changes in the level of market interest rates.

In the current prevailing low interest rate environment, any surplus cash is held in non-interest-bearing bank accounts.

**Financial risk management objectives and policies**

The directors have summarised the company's key risks and their management within the Strategic Report on pages 3 and 4.

**Dividends**

Interim dividends totalling £1.49m were declared and paid during the year (2019: £1.59m). The directors do not recommend that a final dividend be declared in respect of the year ended 31 March 2020 (2019: £Nil).

**Directors**

The directors, who served throughout the year and up to the date of this report were as follows:

Michele Giddens  
Stephen Morrison  
Philip Newborough  
Paul Richings  
Simon Ringer  
Antony Ross  
Brian Trelstad

**Directors' indemnities**

The group has arranged professional indemnity insurance and also a Directors' and Officers' insurance policy for the benefit of its directors and other staff. These policies have been in place throughout the year and are in force at the date of this report.

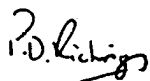
**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming board meeting.

Approved by the Board and signed on its behalf by:



Paul Richings  
Director  
16 July 2020

**Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 and group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor's Report to the directors of Bridges Fund Management Limited****Opinion**

In our opinion the financial statements of Bridges Fund Management Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income and other comprehensive income;
- the consolidated balance sheet;
- the company balance sheet;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

**Independent Auditor's Report to the directors of Bridges Fund Management Limited (continued)****Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

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 the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

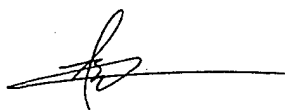
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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.

We have nothing to report in respect of these matters.

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.



Ghorzang Aziz (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
16 July 2020

**Consolidated Statement of Comprehensive Income & Other Comprehensive Income**  
**Year ended 31 March 2020**

	Note	Year Ended 31 March 2020	Year Ended 31 March 2019
		£	£
<b>Turnover</b>	<b>2</b>	3,285,513	1,977,979
<b>Administrative expenses</b>			
Staff costs	5	(7,572,677)	(7,699,887)
Other Operating Expenses		(3,578,019)	(3,925,431)
<b>Operating Loss</b>		<b>(7,865,183)</b>	<b>(9,647,339)</b>
Share of results of associated undertakings (net)		11,871,668	11,937,314
Other finance income	3	4,090	36,669
<b>Profit on ordinary activities before taxation</b>		<b>4,010,575</b>	<b>2,326,644</b>
Tax on profit on ordinary activities	7	(369,729)	(58,540)
<b>Profit on ordinary activities after taxation</b>		<b>3,640,846</b>	<b>2,268,104</b>
Foreign currency (losses)/gains		(4,187)	8,646
<b>Total comprehensive income attributable to equity shareholders of the company</b>		<b>3,636,659</b>	<b>2,276,750</b>

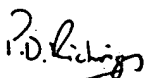
All results derive from continuing operations.

The notes on pages 15 to 25 form an integral part of the Financial Statements.

**Consolidated Balance Sheet**  
**As at 31 March 2020**

	Note	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Tangible assets	8	429,330	463,755
Investments	9	720	720
		<b>430,050</b>	<b>464,475</b>
<b>Current assets</b>			
Debtors	10	3,255,093	2,499,555
Cash at bank and in hand		6,538,785	3,985,421
Creditors: amounts falling due within one year	11	(3,088,681)	(2,105,864)
<b>Net current assets</b>		<b>6,705,197</b>	<b>4,379,112</b>
Total assets less current liabilities		7,135,247	4,843,587
Creditors: amounts falling due after one year			
Provisions for liabilities	12	(597,095)	(580,428)
<b>Net assets</b>		<b>6,538,152</b>	<b>4,263,159</b>
<b>Capital and Reserves</b>			
Called-up share capital	13	112,741	112,741
Other reserves		1,306,452	1,306,452
Profit and loss account		5,118,959	2,843,966
<b>Shareholders' funds</b>		<b>6,538,152</b>	<b>4,263,159</b>

The financial statements of Bridges Fund Management Limited (registration number: 10401079) were approved by the board of directors and authorised for issue on 16 July 2020. They were signed on its behalf by:



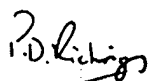
Paul Richings  
Director

The notes on pages 15 to 25 form an integral part of the Financial Statements.

**Company Balance Sheet**  
**As at 31 March 2020**

	Note	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Tangible assets	8	415,827	445,904
Investments	9	12	12
		<u>415,839</u>	<u>445,916</u>
<b>Current assets</b>			
Debtors	10	3,509,691	2,954,788
Cash at bank and in hand		5,075,961	3,048,870
Creditors: amounts falling due within one year	11	(1,758,073)	(1,070,713)
<b>Net current assets</b>		<u>6,827,579</u>	<u>4,932,945</u>
Total assets less current liabilities		7,243,418	5,378,861
Creditors: amounts falling due after more than one year			
Provisions for liabilities	12	(537,096)	(580,428)
<b>Net assets</b>		<u>6,706,322</u>	<u>4,798,433</u>
<b>Capital and reserves</b>			
Called-up share capital		112,741	112,741
Other reserves		2,184,916	2,184,916
Profit and loss account		4,408,665	2,500,776
<b>Shareholders' funds</b>		<u>6,706,322</u>	<u>4,798,433</u>

The profit for the financial year dealt with in the financial statements of the parent company was £3,404,930 (2019: £2,054,611). As permitted by Section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the parent company. The financial statements of Bridges Fund Management Limited (registered number 10401079) were approved by the board of directors and authorised for issue on 16 July 2020. They were signed on its behalf by:



Paul Richings  
Director

The notes on pages 15 to 25 form an integral part of the Financial Statements.

**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2020**

	Share Capital £	Other Reserves £	Profit & Loss £	Total £
<b>Balance at 1 April 2018</b>	112,741	1,320,420	2,102,546	3,535,707
Movement in other reserves	-	(13,968)	57,333	43,365
Dividends	-	-	(1,592,663)	(1,592,663)
Comprehensive income for the year	-	-	2,276,750	2,276,750
<b>Balance at 31 March 2019</b>	<b>112,741</b>	<b>1,306,452</b>	<b>2,843,966</b>	<b>4,263,159</b>
<b>Opening Balance at 1 April 2019</b>	112,741	1,306,452	2,843,966	4,263,159
Movement in other reserves	-	-	135,375	135,375
Dividends	-	-	(1,497,041)	(1,497,041)
Comprehensive income for the year	-	-	3,636,659	3,636,659
<b>Balance at 31 March 2020</b>	<b>112,741</b>	<b>1,306,452</b>	<b>5,118,959</b>	<b>6,538,152</b>

**Company Statement of Changes in Equity**  
**For the year ended 31 March 2020**

	Share Capital £	Other Reserves £	Profit & Loss £	Total £
<b>Balance at 1 April 2019</b>	112,741	2,198,884	2,038,828	4,350,453
Movement in other reserves	-	(13,968)	-	(13,968)
Dividends	-	-	(1,592,663)	(1,592,663)
Comprehensive income for the period	-	-	2,054,611	2,054,611
<b>Balance at 31 March 2019</b>	<b>112,741</b>	<b>2,184,916</b>	<b>2,500,776</b>	<b>4,798,433</b>
<b>Opening Balance at 1 April 2019</b>	112,741	2,184,916	2,500,776	4,798,433
Dividends	-	-	(1,497,041)	(1,497,041)
Comprehensive income for the period	-	-	3,404,930	3,404,930
<b>Balance at 31 March 2020</b>	<b>112,741</b>	<b>2,184,916</b>	<b>4,408,665</b>	<b>6,706,322</b>

The notes on pages 15 to 25 form an integral part of the Financial Statements.

**Consolidated Cash Flow Statement**  
**For the year ended 31 March 2020**

	Note	Year Ended 31 March 2020 £	Year Ended 31 March 2019 £
<b>Cash flows used in operating activities</b>	<b>14</b>	<b>(7,755,097)</b>	<b>(9,800,638)</b>
<b>Cash flows from investing activities</b>			
Cash inflows from associated undertakings		11,871,668	11,937,314
Purchase of equipment		(66,069)	(60,692)
Interest received	<b>3</b>	4,090	36,669
<b>Net cash flows from investing activities</b>		<b>11,809,689</b>	<b>11,913,291</b>
<b>Cash flows used in financing activities</b>			
Dividends		(1,497,041)	(1,592,663)
<b>Net cash flows from financing activities</b>		<b>(1,497,041)</b>	<b>(1,592,663)</b>
Effect of foreign exchange rate changes		(4,187)	8,645
<b>Net increase in cash and cash equivalents</b>		<b>2,553,364</b>	<b>528,635</b>
Cash and cash equivalents at beginning of year		3,985,421	3,456,786
<b>Cash and cash equivalents at end of year</b>		<b>6,538,785</b>	<b>3,985,421</b>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		6,538,785	3,985,421
<b>Cash and cash equivalents</b>		<b>6,538,785</b>	<b>3,985,421</b>

The notes on pages 15 to 25 form an integral part of the Financial Statements.

**Notes to the Financial Statements**  
**For the year ended 31 March 2020****1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

**a. General information and basis of accounting**

Bridges Fund Management Limited ("the company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the group's operations and its principal activities are set out in the Strategic Report on pages 3 to 4.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 "(FRS 102)", 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council subject to the true and fair override described below. As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the consolidated financial statements. The functional currency of the company is pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

**b. Basis of consolidation**

The consolidated financial statements include the results of Bridges Fund Management Ltd. as an individual limited company and all of its subsidiary undertakings as at 31 March 2020, using the acquisition method of accounting (except for those subsidiaries as described below). Intra-group transactions are eliminated on consolidation.

All subsidiary undertakings in which the company has a 100% ownership interest (as detailed in note 9) have been consolidated in full using the acquisition method of accounting. When the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

The group and its subsidiary general partner entities manage various private equity limited partnerships, details of which are given in note 9 of the financial statements. Investments held through the limited partnerships are made with the express intention of achieving capital appreciation. The company has elected to apply a true and fair override to the method of consolidation of the limited partnerships as the acquisition method of accounting does not represent the nature of the interest in these subsidiary undertakings, which have therefore been accounted for under the equity method. This departure is necessary to give a true and fair view of the financial statements of the Bridges Fund Management group. If an acquisition accounting approach to consolidation had been applied the total assets and liabilities of the underlying entities which Bridges Fund Management controls would have been consolidated in total and a non-controlling interest deducted, which would result in no material difference to the underlying net asset position of the group.

The group consolidates its attributable proportion of the assets and income of the private equity limited partnerships which it manages on the basis that the general partners control the private equity limited partnerships.

These partnerships are subsidiary undertakings and under the terms of the Companies Act 2006 should be consolidated in full. However, the directors consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the group's interest in these assets is merely that of investment manager.

These partnerships have taken advantage of the exemption from regulations 4 to 6 of The Partnership (Accounts) Regulations 2008, as conferred by regulation 7, on the basis that they have been dealt with on a consolidated basis in these group accounts.

**c. Going concern**

The group has considerable financial resources together with long-term contracts to manage a number of partnerships. As a result, the directors believe that the group is well placed to manage its business risks successfully despite the current economic outlook. Since the onset of the COVID-19 crisis, the group has been working hard to mitigate the impact on the portfolio and protect value for investors, whilst also making sure that the group's assets are well-positioned for the post-COVID recovery. More detail can be found in the strategic and the directors report.

The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

**d. Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Furniture & fittings, equipment – 33.3% straight-line (3 years)

Leasehold improvements – 6.7% straight-line (15 years)

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

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2020****e. Operating Leases**

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis.

**f. Pension costs and other post-retirement benefits**

The company makes payments into defined contribution personal schemes, from the date an employee joins in accordance with auto enrolment legislation. Contributions are charged to the Statement of Comprehensive Income as they become payable in the year in accordance with the rules of the schemes. Differences between contributions payable in the year and contributions actually paid are shown as an Other Creditor in the Balance Sheet.

**g. Income from associated undertakings**

Income from associated undertakings relates to the priority profit share due from the subsidiary undertakings, which is recognised on an accruals basis. This is shown net of transaction/monitoring fees received in the year.

**h. Foreign currency**

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the Balance Sheet date. Exchange differences arising on the translation of the opening net assets and results of overseas operations are reported in the Statement of Comprehensive Income.

**i. Turnover**

Turnover, which is stated net of value added tax, is attributable to the receipt of advisory fees, and rental income from a sub-tenancy agreement. Fees are recognised as earned in accordance with the underlying contracts and agreements.

**j. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided to reflect amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

**k. Critical judgements and key sources of estimation**

The preparation of the financial statements requires management to make significant judgements and estimates. The non-consolidation of partnerships that the group controls is a key judgement, which is discussed at point (b) on page 15. A further area of judgement is the recognition of revenue arising from advisory team projects over the life of those projects. Revenue for each project is recognised on a funder by funder basis. Some funders will state the period that the grant relates to. Accordingly revenue is recognised in line with the terms of the individual grants. A further area of judgement is the deferred tax position for the group, which is discussed in note 7 on page 18.

**l. Financial Instruments**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

Financial assets and financial liabilities are recognised when the parent company becomes a party to the contractual provisions of the relevant instrument. Financial asset is derecognised when it is settled, or when the contractual rights to the cash flows expire.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the parent company after deducting all of its liabilities.

Receivables and payables are measured at amortised cost.

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2020**

**2. Turnover**

Turnover is attributable to monitoring, advisory and consultancy fees which arise worldwide, and to rental income from a sub-lease agreement within the United Kingdom.

	Year Ended 31 March 2020			Year Ended 31 March 2019		
	UK £	USA £	Total £	UK £	USA £	Total £
Monitoring Fees	947,518	-	947,518	728,446	-	728,446
Advisory Fees	1,467,052	-	1,467,052	453,466	651,723	1,105,189
Rental Income	118,687	-	118,687	96,144	-	96,144
Other	410,218	342,038	752,256	48,200	-	48,200
	<b>2,943,475</b>	<b>342,038</b>	<b>3,285,513</b>	<b>1,326,256</b>	<b>651,723</b>	<b>1,977,979</b>

**3. Other finance income**

	Year Ended 31 March 2020 £	Year Ended 31 March 2019 £
Interest payable and similar charges	(27)	-
Other finance income	4,117	36,669
	<b>4,090</b>	<b>36,669</b>

**4. Profit on ordinary activities before taxation is stated after charging/(crediting):**

	Year Ended 31 March 2020 £	Year Ended 31 March 2019 £
Depreciation of tangible fixed assets (note 8)	92,270	87,131
Release of acquisition reserve	-	(13,968)
	<b>92,270</b>	<b>73,163</b>

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor and its associates for the audit of the group's annual accounts	56,440	46,960
<b>Total audit fees</b>	<b>56,440</b>	<b>46,960</b>
Other assurance services - pursuant to legislation	13,300	12,900
<b>Total audit and non audit fees</b>	<b>69,740</b>	<b>59,860</b>

There were no other non-audit services provided to the group by the auditor in the current or previous period.

No services were provided pursuant to contingent fee arrangements

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2020**

**5. Staff numbers and costs**

The average monthly number of employees (including executive directors) was:

	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
No of employees	53	55
	<b>£</b>	<b>£</b>
Their aggregate remuneration comprised:		
Wages and salaries	6,473,658	6,602,563
Social security costs	744,956	749,056
Pension fund contributions	298,298	256,605
Other employee benefits	55,765	91,663
	<b>7,572,677</b>	<b>7,699,887</b>

**6. Directors' remuneration and transactions**

	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
	<b>£</b>	<b>£</b>
<b>Directors' remuneration</b>		
Salaries	773,007	916,789
Company contributions to money purchase pension schemes	10,000	9,996
	<b>783,007</b>	<b>926,785</b>
 <b>Remuneration of the highest paid director comprising :</b>		
Emoluments	272,381	304,053
	<b>272,381</b>	<b>304,053</b>

**7. Tax on profit on ordinary activities**

	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
	<b>£</b>	<b>£</b>
Group profit on ordinary activities before tax	4,010,575	2,326,644
Tax on group profit on ordinary activities at standard UK corporation tax rate of 19% per cent (2019: 19% per cent)	762,009	442,062
Effects of:		
- Use of losses b/f	(1,703,381)	-
- Income not included in determining taxable profit	(20,191)	-
- Movement on deferred tax liability not recognised	2,486,542	(960,247)
- Movement on deferred tax asset not recognised	(1,296,638)	489,958
- Expenses not within the scope of UK taxation	121,196	28,227
Group total tax charge for period	<b>349,537</b>	<b>-</b>

The group has tax losses carried forward of £19,503,541 (2019: £26,728,060) at the Balance Sheet date. No deferred tax asset has been recognised in respect of the losses due to the unpredictability of future profit streams in the companies where the losses reside. The deferred tax amount not recognised is £3,705,673 (2019: £4,543,770).

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2020**

**8. Tangible fixed assets - group**

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2019	200,714	153,972	547,522	902,208
Additions	56,773	789	282	57,844
At 31 March 2020	<b>257,487</b>	<b>154,761</b>	<b>547,804</b>	<b>960,052</b>
Depreciation				
At 1 April 2019	129,331	144,041	165,080	438,452
Provided for the year	43,018	5,000	44,252	92,270
At 31 March 2020	<b>172,349</b>	<b>149,041</b>	<b>209,332</b>	<b>530,722</b>
Net book value				
At 1 April 2019	<b>71,383</b>	<b>9,931</b>	<b>382,442</b>	<b>463,756</b>
Net book value				
At 31 March 2020	<b>85,138</b>	<b>5,720</b>	<b>338,472</b>	<b>429,330</b>

**Tangible fixed assets - company**

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2019	177,735	153,156	542,406	873,297
Additions	55,507	745	-	56,252
At 31 March 2020	<b>233,242</b>	<b>153,901</b>	<b>542,406</b>	<b>929,549</b>
Depreciation				
At 1 April 2019	119,517	143,811	164,065	427,393
Provided for the year	37,628	4,864	43,837	86,329
At 31 March 2020	<b>157,145</b>	<b>148,675</b>	<b>207,902</b>	<b>513,722</b>
Net book value				
At 1 April 2019	<b>58,218</b>	<b>9,345</b>	<b>378,341</b>	<b>445,904</b>
Net book value				
At 31 March 2020	<b>76,097</b>	<b>5,226</b>	<b>334,504</b>	<b>415,827</b>

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2020**

**9. Fixed asset investments**

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	720	720	12	12
Net book Value	720	720	12	12

The group investment relates to Bridges Community Ventures (Scotland) Limited's investment in Bridges Community Ventures (Founder Partner) LP.

Management consider that the fair value of the investments is equal to their cost; they have assessed these fair values for impairment at the reporting date, but did not determine there to be any indicators of impairment

**Subsidiary undertakings - company**

	<b>Shares Held</b>	<b>Country of Incorporation</b>	<b>% of Ownership</b>	<b>Principal Activity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
Bridges Ventures Holdings Ltd	Ordinary £1	England & Wales	100%	Holding company
Bridges Ventures Inc. *	Ordinary \$0.0001	USA	100%	Fund management
Bridges Community Ventures Nominees Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Ventures (General Partners) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Community Ventures (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Community Ventures (Scotland) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges CDV Fund II (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges CDV Fund II (Scotland) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges Ventures III (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Ventures III (Scot) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges Ventures IV (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Ventures IV (Scot) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges Social Entrepreneurs Fund (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Social Entrepreneurs Fund (Scotland) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges Social Impact Bond Fund (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Social Impact Bond Fund (Scotland General Partner) Ltd *	Ordinary £1	Scotland	100%	General partner
Bridges Social Interim (General Partner) LLP *	n/a	England & Wales	100%	General partner
Bridges Evergreen Capital GP LLP *	n/a	England & Wales	100%	General partner
Bridges Evergreen Capital (Founder Partner) GP LLP *	n/a	Scotland	100%	General partner
Bridges SP Fund (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges SP Fund (Scotland) Ltd	Ordinary £1	Scotland	100%	General partner
Bridges Property Alternatives Fund III (General Partner) LLP	n/a	England & Wales	100%	General partner
Bridges Property Alternatives III (Founder Partner GP) LLP *	n/a	Scotland	100%	General partner
Bridges Property Alternatives Fund IV (General Partner) LLP	n/a	England & Wales	100%	General partner
Bridges Property Alternatives Fund IV (Founder Partner GP) LLP	n/a	Scotland	100%	General partner
Bridges Property Alternatives IV (UK) Limited	Ordinary £1	England & Wales	100%	Investment vehicle
Bridges Property Alternatives IV (Guernsey) Limited	Ordinary £1	Guernsey	100%	Investment vehicle
The CarePlaces (General Partner) Limited *	Ordinary £1	England & Wales	100%	General partner
UK Healthcare Property (Scotland) Limited *	Ordinary £1	Scotland	100%	General partner
BFM GP Commit Limited *	Ordinary £1	England & Wales	100%	Investment vehicle
Bridges Social Outcomes Fund II (General Partner) LLP	Ordinary £1	England & Wales	100%	General partner
Bridges Social Outcomes Fund II (Scotland) General Partner LLP	Ordinary £1	Scotland	100%	General partner
Bridges Insights Limited *	n/a	England & Wales	100%	Advisory Services
Bridges Property Alternatives Fund V (General Partner) LLP	n/a	England & Wales	100%	General partner
Bridges Property Alternatives Fund V (Founder Partner GP) LLP	n/a	Scotland	100%	General partner

\* Held indirectly through Bridges Ventures Holdings Ltd.

All subsidiaries incorporated in England and Wales have a registered office at 38 Seymour St, London, W1H 7BP.

All subsidiaries incorporated in Scotland have a registered office at 50 Lothian Road, Festival Square Edinburgh, EH3 9WJ with the exception of Bridges Social Entrepreneurs Fund (Scotland) Limited which has a registered office at 12 Hope Street, Edinburgh, EH2 4DB and Bridges SP Fund (Scotland) Limited and UK Healthcare Property (Scotland) Limited which have registered offices at 15 Atholl Crescent, Edinburgh, EH3 8HA. BV Inc. has a registered office at 2711 Centreville Road, Suite 400, city of Wilmington, County of New Castle, DE 19808.

**Notes to the Financial Statements (continued) ;**  
**For the year 31 March 2020**

**10. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	518,704	370,534	518,704	370,534
Other debtors	715,182	598,698	507,893	303,999
Amounts due from related parties (Note 18)	1,349,136	1,124,522	1,946,770	1,932,021
Prepayments and accrued income	233,065	208,247	233,064	208,247
VAT	439,006	197,554	303,260	139,987
	<b>3,255,093</b>	<b>2,499,555</b>	<b>3,509,691</b>	<b>2,954,788</b>

All amounts shown under debtors fall due within one year.

Amounts due from related parties relate to limited partnerships, and are not eliminated on consolidation.

**11. Creditors: amounts falling due within one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	151	-	151	-
Amounts payable to related parties (Note 18)	743,269	936,117	743,269	602,766
Other tax and social security	269,639	196,688	269,639	196,688
Accruals and deferred income	1,381,382	923,959	717,316	221,846
Other creditors	694,240	49,100	27,698	49,413
	<b>3,088,681</b>	<b>2,105,864</b>	<b>1,758,073</b>	<b>1,070,713</b>

**12. Creditors: amounts falling due within one year**

Provisions	Other	Rent Reserve	Dilapidations Provision	Other	Total	
		Group £	Company £	Group £	Company £	Company
At 1 April 2019		447,778	447,778	132,650	132,650	580,428
Movement during the year		(43,333)	(43,333)	-	60,000	(43,333)
At 31 March 2020		<b>404,445</b>	<b>404,445</b>	<b>132,650</b>	<b>132,650</b>	<b>537,095</b>

At 31 March 2020 the company had a rental provision of £404,445 (2019: £447,778) that accrued during the rent free period after it moved into its current premises. This provision is being unwound over the remaining life of the rental contract.

A dilapidation provision is being built up in anticipation of the expected costs required to restore the office of the company back to its original state once the rental agreement expires in July 2029. The provision is estimated at £15 sq/ft on 8,295 sq ft in total, giving a provision of £132,650 at 31 March 2020 (2019: £132,650). In accordance with FRS102 a corresponding asset is shown on the Balance Sheet within Fixed Assets. No charge in the year as a number of material works were carried out on the outside of the building.

At 31 March 2020 the group had deferred income of £60k (2019 - Nil) relating to one contract for the IMP that is to be recognised in financial year end 31 March 2022. Total income for this grant is recognised over a three year period up to this date.

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2020**

**13. Called-up share capital of Bridges Fund Management Limited**

	<b>Year Ended 31 March 2020 £</b>	<b>Year Ended 31 March 2019 £</b>
Allotted, called-up and fully-paid		
70,000 A Ordinary shares of £1 each	70,000	70,000
30,000 B Ordinary Shares £1 each	30,000	30,000
1,244,710 C Preference shares of 0.01 each	12,741	12,741
	<b>112,741</b>	<b>112,741</b>

The group and company's other reserves comprise the following: the Profit and Loss reserve represents cumulative profits or losses net of dividends paid and other adjustments. The Acquisition Reserve arose following the acquisition by Bridges Ventures LLP of the assets and business of Bridges Capital Limited (formerly Bridges Ventures Limited) on 1 December 2011 (more detail in note 1).

A ordinary shares – carry the right to receive distributions on a winding-up or partial sale, after first deducting any proceeds due in relation to the B shares; also the right to receive any dividends declared on the A shares (having first settled any amounts owed to the C shareholders).

B ordinary shares – have the right to receive 30% of the proceeds in the event of a sale of the business or a majority stake in it, and also the right to veto a change of mission. The B shares have no other rights.

C preference shares – entitle holders to rights to receive, pro rata to the number of shares held, any C preference dividend that is declared.

**14. Cash Flow Statement**

**Reconciliation of operating loss to cash used by operations:**

	<b>Year Ended 31 March 2020 £</b>	<b>Year Ended 31 March 2019 £</b>
Operating loss	(7,865,183)	(9,647,339)
Depreciation and amortisation	84,046	87,131
Loss on disposal	-	6,895
Release of Acquisition reserve	-	(13,968)
Monitoring fees accrued	(217,896)	-
<b>Operating cash flow before movement in working capital</b>	<b>(7,999,033)</b>	<b>(9,567,281)</b>
Increase in debtors	(755,542)	(531,665)
Increase in creditors	999,478	298,308
<b>Cash flows used in operating activities per cash flow statement</b>	<b>(7,755,097)</b>	<b>(9,800,638)</b>

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2020**

**15. Financial commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land &amp; Buildings</b>		<b>Other</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Group: expiring				
- within one year	668,876	627,835	12,428	12,428
- between one and five years	2,521,044	2,454,452	20,248	20,248
- after five years	2,881,044	3,154,452	-	-
	<b>6,070,964</b>	<b>6,236,739</b>	<b>32,676</b>	<b>32,676</b>
Company: expiring				
- within one year	540,000	530,000	12,428	12,428
- between one and five years	2,160,000	2,160,000	7,819	20,248
- after five years	2,520,000	2,860,000	-	-
	<b>5,220,000</b>	<b>5,550,000</b>	<b>20,247</b>	<b>32,676</b>

**16. Employee benefits**

The company operates defined contribution pension schemes for its employees. The pension costs during the year amounted to £298,298 (2019: £256,605) for the group and £235,641 (2019: £239,852) for the company. The assets of the schemes are held separately from those of the company in independently administered funds. The company had outstanding contributions of £38,260 at 31 March 2020 (2019: £34,323).

**17. Subsequent events**

There are no significant events after the end of the reporting year requiring disclosure in these financial statements.

**18. Related party transactions**

There were loans totalling £444k outstanding to directors at 31 March 2020 year end (2019: £405k). These loans are unsecured, and no interest was charged during the year.

**Other related party transactions**

The total remuneration for directors for the year totalled £783,007 (2019: £926,785) as disclosed in note 6.

**Notes to the Financial Statements (continued) ;**  
**For the year 31 March 2020**

**18. Other related party transactions (continued)**

The group receives a management fee in respect of certain of the entities listed in note 9 under the terms of the relevant limited partnership agreements. The amounts received during the year are as detailed below:

The fees shown below are reduced by the whole of any underwriting or abort fees and by \* 50% (100%) of any transaction fees, investment fees, corporate finance fees and other fees received by the group from the investments held by the funds.

	<b>Year Ended 31 March 2020 £</b>	<b>Period Ended 31 March 2019 £</b>
Bridges Ventures Fund III LP	2,184,840	2,129,509
Bridges Ventures Fund IV LP	1,819,577	2,274,668
Bridges Social Entrepreneurs Fund LP *	36,893	105,165
Bridges Social Impact Bond Fund LP	337,450	407,745
Bridges Social Interim LP	17,867	17,033
Bridges Evergreen Capital LP	485,235	357,665
Bridges Social Outcomes Fund II ( General Partner) LLP	821,681	508,643
Bridges Property Alternatives Fund III LP	2,960,536	2,402,258
Bridges Property Alternatives Fund IV LP	3,160,500	3,160,500
Bridges SP Fund (Scotland) Limited *	-	3
Bridges Property Alternatives III Founder Partner GP LP	-	38
	<b>11,824,579</b>	<b>11,363,227</b>

Amounts outstanding as at 31 March from the funds and related group parties of the company were:

	<b>Year Ended 31 March 2020 £</b>	<b>Period Ended 31 March 2019 £</b>
Bridges Ventures Fund III LP	-	8,463
Bridges Ventures Fund IV LP	-	429,653
Bridges Social Impact Bond Fund LP	-	870
Bridges Evergreen Capital LP	72,585	30,282
Bridges Sustainable Property Fund LP	-	384
Bridges Property Alternatives Fund III LP	447,047	1,353
Bridges Property Alternatives Fund IV LP	8,990	1,105
Bridges Property Alternatives Fund V LP	31,015	-
Bridges Community Ventures (General Partner) Ltd	405	405
Bridges Community Ventures (Scotland) Ltd	1,384	1,384
Bridges CDV Fund II (General Partner) Ltd	3,140	3,140
Bridges CDV Fund II (Scotland) Ltd	658	658
Bridges Ventures III (General Partner) Ltd	73	73
Bridges SP Fund (General Partner) Ltd	2	2
Bridges SP Fund (Scotland) Ltd	51	51
Bridges Property Alternatives Fund III (General Partner) LLP	300	300
Bridges Social Entrepreneurs Fund LP	-	620
Bridges Social Interim LP	23,007	159
Bridges Social Outcomes Fund II LLP	-	200,610
Bridges Ventures Holdings Ltd	1,323,197	1,234,513
Bridges Ventures Inc.	34,916	17,996
	<b>1,946,770</b>	<b>1,932,021</b>

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2020**

**18. Other related party transactions (continued)**

Amounts owing as at 31 March 2020 to the funds and related group parties of the company were:

	<b>Year Ended 31 March 2020 £</b>	<b>Period Ended 31 March 2019 £</b>
Bridges Community Development Venture Fund II LP	9,327	6,327
Bridges Ventures Fund III LP	134,274	108,407
Bridges Ventures Fund IV LP	115,283	38,000
Bridges Social Entrepreneurs Fund LP	8,997	7,056
Bridges Social Impact Bond Fund LP	70,167	275,116
Bridges Social Interim LP	8,488	8,489
Bridges Evergreen Capital LP	60,348	48,788
Bridges Social Outcomes Fund II LP	336,385	110,583
	<b>743,269</b>	<b>602,766</b>

**19. Ultimate controlling parties**

Philip Newborough, Michele Giddens, Antony Ross and Simon Ringer, who between them own 100% of the A Ordinary Shares, are deemed to have ultimate control of the company.