

**BRIDGES FUND MANAGEMENT LIMITED**  
**ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Company No 10401079**



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**COMPANY INFORMATION****Directors****\*(non-executive)**

Dr Peter Englander (Chairman) \*  
Rachel Diller (Appointed 4th April 2018 )  
Michele Giddens  
Stephen Morrison ( Appointed 27th March 2018)  
Philip Newborough  
Paul Richings ( Appointed 27th March 2018)  
Simon Ringer ( Appointed 27th March 2018)  
Antony Ross  
Brian Trelstad ( Appointed 4th April 2018)

**Company Secretary**

Paul Richings

**Registered Office**

38 Seymour Street  
London  
United Kingdom  
W1H 7BP

**Bank**

Royal Bank of Scotland  
2 1/2 Devonshire Square  
London  
EC2M 4BA

**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 2018

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 formerly undertaken by Bridges Ventures LLP ("the LLP"). The business transfer entailed a share for share exchange, following which the company became the parent entity to all the former subsidiaries of 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 mission-driven investment manager and adviser. It invests in solutions to pressing environmental and social challenges via four strategies – Growth businesses, Property, Social businesses and Outcomes contracts – with operations in both the UK and in the US. In addition, Impact+, the group's specialist in-house impact team, works closely with the group's investment professionals to optimise the impact of the group's investments and capture the lessons learned; it then uses this accumulated knowledge to support the growth of the broader market, via third-party advisory work and proprietary publications.

This year has seen a great deal of positive activity across the Bridges platform of funds.

The Sustainable Growth Funds team completed Bridges' biggest ever bolt-on acquisition, by acquiring Fitness Hut in Portugal and combining it with Spain's Viva Gym to create the biggest low-cost gym operator in Iberia. The team also made two significant new investments. The first was JustAsk, a facilities management business that works exclusively with Housing Associations; by improving communal spaces and engaging with community projects, it aims to make a tangible difference to residents' quality of life. The second was Innovate, a catering business that provides (and promotes) healthy, nutritious food in schools – with a view to combating childhood obesity and fostering better long-term eating habits.

Meanwhile the Bridges property funds have continued to invest in building much-needed housing in London. After two more investments this year, in Croydon and Wembley, the team is now on course to deliver 1,500 homes over the next few years, with a total value of over £500m. And they continue to make progress with the roll-out of Birchgrove, a new venture to create attractive homes to rent for our ageing population: three sites have now been secured in the South of England, with the first (in Sidcup) due to open early next year.

Bridges also continues to raise pioneering vehicles to invest in impactful businesses and charities that need a different kind of financial and operational support.

Evergreen, a pioneering permanent capital vehicle for mission-led businesses, made its first three investments in 2017/18: it backed acute children's care provider New Reflexions, employee-owned care home operator Shaw healthcare, and a new venture called The Ethical Housing Company, which is aiming to build up a portfolio of decent, affordable homes to rent in Teesside.

The Bridges Social Impact Bond Fund – the first fund anywhere in the world to specialise in supporting public sector outcomes contracts – had its busiest year to date in 2017/18, backing six new contracts during the period. All told, it has now invested in 27 social outcomes contracts, more than half of all SIBs commissioned in the UK and about 1 in 4 of all SIBs commissioned globally. With local and central Government commissioners showing more and more interest in this new approach to commissioning, the team are now looking to raise further capital and build on their market-leading position.

In addition to its work supporting the different investment teams, the key focus for Impact+ this year has been the Impact Management Project. As more and more large financial institutions create dedicated impact investment strategies (including the likes of BlackRock, Barclays and Bain Capital), there's a clear need – and a growing demand – for a common convention for understanding and articulating impact. The Impact Management Project is an industry-wide initiative to develop this convention, coordinated and facilitated by Impact+. It has already brought together more than 1,400 stakeholders from across the sector, identifying substantial common ground. In the last year, the Impact+ team has been helping the likes of UBS, PGGM and the GIIN to embed impact management practices within their own organisations.

The business transfer was accounted for using merger accounting, and therefore the prior period comparative activity reflected in the group financial statements for the period ended 31 March 2017 comprises the company's first month of trading activity to 31 March 2017 together with the final five months of trading of the LLP, the predecessor managing entity.

As at 31 March 2018 the group has cash at bank and in hand of £3,456,785 (2017: £3,371,284). The group generated total comprehensive income of £2,627,928 in the year ended 31 March 2018 (6 month period ended 31 March 2017: £536,394).

**Key Performance Indicators**

The Group's Income is derived predominantly from the management of 12 private equity funds, three of which reached the end of their fixed lives during the year. A further two funds had terminated during the prior period and the company is now acting as liquidating trustee to all five of these funds. The group raised additional commitments of £34m during the year, bringing the total commitments raised since inception of the Bridges platform in 2002 to £863m.

Bridges Evergreen Capital LP had a further close in June 2018 taking its total funds raised to £50.8m.

**Strategic Report (continued)**  
for the year ended 31 March 2018

**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 honed 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"). Shareholders can find this information on the company website. 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, and ensures that it will at all times have sufficient headroom over the requirements. Furthermore, it has in place a comprehensive risk and control framework which it monitors 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 the US exceeds \$150m, the company will need to become a full SEC registered adviser, and as such will become subject to the full suite of SEC rules at that time. Total assets under management for BV Inc. for SEC purposes at the reporting date are \$23.3m.

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 company 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.

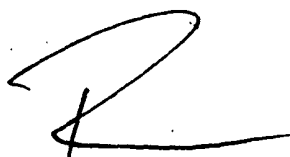
The activity levels of the company have increased over time as it has successfully raised additional and larger funds. The directors expect that this trend will continue. The terms on which the UK will eventually leave the European Union ("Brexit") are yet unclear, but may have an impact on the company's ability to market and raise its future funds within the EU.

There have been no significant 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 Director's report on page 5.

Approved by the board and signed on its behalf:



Philip Newborough  
Director  
5 July 2018

**Directors' Report**

For the year ended 31 March 2018

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 2018.

**Future developments and events after the Balance Sheet date**

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 company and group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies on page 15 of 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 liquid capital regulatory obligation, 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 2018

**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. 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 presented the company's risks and its management within the strategic report on pages 3 and 4. Additionally, the group does not use derivative financial instruments for speculative purposes.

**Dividends**

Interim dividends totalling £1.06m were paid during the year. The directors do not recommend that a final dividend be paid in respect of the year ended 31 March 2018 (2017: Nil). In addition, the company distributed further amounts totalling £968k during the year, representing profits retained by the predecessor LLP and owed to its members, but which were hitherto unpaid.

**Directors**

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

Dr Peter Englander (Chairman) \*  
Rachel Diller (Appointed 4th April 18)  
Michele Giddens  
Stephen Morrison (Appointed 27th March 18)  
Philip Newborough  
Paul Richings (Appointed 27th March 18)  
Simon Ringer (Appointed 27th March 18)  
Antony Ross  
Brian Trelstad (Appointed 4th April 18)

**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.

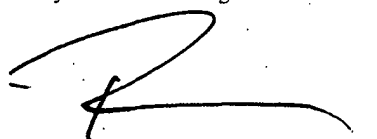
**Auditor**

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 company'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 company's auditor is aware of that information.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Philip Newborough  
Director  
5 July 2018

**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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 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 of Bridges Fund Management Limited (the 'parent company') and its subsidiaries (the 'group') 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 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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.

**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.

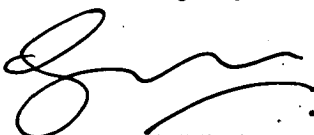
In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**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.



Garrath Marshall (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
5 July 2018

**Consolidated Statement of Comprehensive Income & Other Comprehensive Income**  
**Year ended 31 March 2018**

	Note	Year Ended 31 March 2018	6 Months Ended 31 March 2017
		£	£
<b>Turnover</b>	<b>2</b>	1,884,217	682,355
<b>Administrative expenses</b>			
Staff costs *	5	(6,680,260)	(3,762,095)
Other Operating Expenses		(3,684,092)	(1,608,823)
<b>Operating Loss</b>		<b>(8,480,135)</b>	<b>(4,688,563)</b>
Share of results of associated undertakings (net)		11,070,432	5,117,052
Finance costs (net)	3	2,711	13,989
<b>Profit on ordinary activities before taxation</b>		<b>2,593,008</b>	<b>442,478</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit on ordinary activities after taxation</b>		<b>2,593,008</b>	<b>442,478</b>
Foreign currency gains		34,920	93,916
<b>Total comprehensive income attributable to equity shareholders of the company</b>		<b>2,627,928</b>	<b>536,394</b>

All results derive from continuing operations.

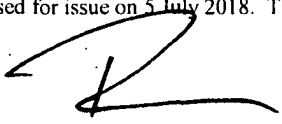
\*Members' remuneration charged as an expense within the former LLP has been included within staff costs for the prior period

See accompanying notes to the Financial Statements

**Consolidated Balance Sheet**  
**As at 31 March 2018**

	Note	31 March 2018 £	31 March 2017 £
<b>Fixed assets</b>			
Tangible assets	8	498,296	451,527
Investments	9	720	720
		<b>499,016</b>	<b>452,247</b>
<b>Current assets</b>			
Debtors	10	1,967,890	1,299,334
Cash at bank and in hand		3,456,785	3,371,284
Creditors: amounts falling due within one year	11	(1,772,447)	(1,550,173)
<b>Net current assets</b>		<b>3,652,228</b>	<b>3,120,445</b>
Total assets less current liabilities		4,151,244	3,572,692
Creditors: amounts falling due after one year			
Provisions for liabilities	12	(615,537)	(556,564)
<b>Net assets</b>		<b>3,535,707</b>	<b>3,016,128</b>
<b>Capital and Reserves</b>			
Called-up share capital	13	112,741	112,741
Other reserves		1,320,420	2,366,994
Profit and loss account		2,102,546	536,393
<b>Shareholders' funds</b>		<b>3,535,707</b>	<b>3,016,128</b>

The financial statements of Bridges Fund Management Limited (registration number: 10401079) were approved by the board of directors and authorised for issue on 5 July 2018. They were signed on its behalf by:



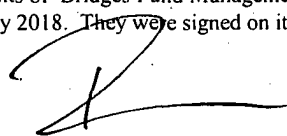
Philip Newborough  
Director

See accompanying notes to the Financial Statements

**Company Balance Sheet**  
**As at 31 March 2018**

	Note	31 March 2018 £	31 March 2017 £
<b>Fixed assets</b>			
Tangible assets	8	481,226	435,706
Investments	9	12	12
		<b>481,238</b>	<b>435,718</b>
<b>Current assets</b>			
Debtors	10	2,331,998	2,093,825
Cash at bank and in hand		3,071,944	3,203,559
Creditors: amounts falling due within one year	11	(919,190)	(1,348,794)
<b>Net current assets</b>		<b>4,484,752</b>	<b>3,948,590</b>
Total assets less current liabilities		4,965,990	4,384,308
Creditors: amounts falling due after more than one year			
Provisions for liabilities	12	(615,537)	(556,564)
<b>Net assets</b>		<b>4,350,453</b>	<b>3,827,744</b>
<b>Capital and reserves</b>			
Called-up share capital		112,741	112,741
Other reserves		2,198,884	2,277,294
Profit and loss account		2,038,828	1,437,709
<b>Shareholders' funds</b>		<b>4,350,453</b>	<b>3,827,744</b>

The profit for the financial year dealt with in the financial statements of the company was £2,623,848 (2017: £1,437,709). 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 5 July 2018. They were signed on its behalf by:

  
 Philip Newborough  
 Director

See accompanying notes to the Financial Statements

**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2018**

	Share Capital £	Other Reserves £	Profit & Loss £	Total £
<b>Balance at 1 October 2016</b>	112,741	1,653,432	1,299,325	3,065,498
Movement to creditors	-	-	(1,299,325)	(1,299,325)
Adjustment to other reserves *	-	713,562	-	713,562
Comprehensive income for the year	-	-	536,393	536,393
<b>Balance at 31 March 2017</b>	<b>112,741</b>	<b>2,366,994</b>	<b>536,393</b>	<b>3,016,128</b>
<b>Opening Balance at 1 April 2017</b>	112,741	2,366,994	536,393	3,016,128
Distribution from other reserves *	-	(968,164)	-	(968,164)
Movement in other reserves	-	(78,410)	-	(78,410)
Dividends	-	-	(1,061,775)	(1,061,775)
Comprehensive income for the year	-	-	2,627,928	2,627,928
<b>Balance at 31 March 2018</b>	<b>112,741</b>	<b>1,320,420</b>	<b>2,102,546</b>	<b>3,535,707</b>

**Company Statement of Changes in Equity**  
**For the year ended 31 March 2018**

	Share Capital £	Other Reserves £	Profit & Loss £	Total £
<b>Balance at 1 October 2016</b>	112,741	2,340,186	1,112,658	3,565,585
Movement to creditors *	-	-	(1,112,658)	(1,112,658)
Adjustment to other reserves	-	(62,892)	-	(62,892)
Comprehensive income for the period	-	-	1,437,709	1,437,709
<b>Balance at 31 March 2017</b>	<b>112,741</b>	<b>2,277,294</b>	<b>1,437,709</b>	<b>3,827,744</b>
<b>Opening Balance at 1 April 2017</b>	112,741	2,277,294	1,437,709	3,827,744
Movement in other reserves	-	(78,410)	-	(78,410)
Distribution from other reserves *	-	-	(960,951)	(960,951)
Dividends	-	-	(1,061,775)	(1,061,775)
Comprehensive income for the period	-	-	2,623,845	2,623,845
<b>Balance at 31 March 2018</b>	<b>112,741</b>	<b>2,198,884</b>	<b>2,038,828</b>	<b>4,350,453</b>

\* Transaction relates to distribution of profits to former LLP members

See accompanying notes to the Financial Statements

**Consolidated Cash Flow Statement**  
**For the year ended 31 March 2018**

	Note	Year Ended 31 March 2018 £	6 Months Ended 31 March 2017 £
<b>Cash flows used in operating activities</b>	14	<b>(9,793,034)</b>	<b>(4,283,350)</b>
<b>Cash flows from investing activities</b>			
Cash inflows from associated undertakings		11,070,431	5,117,052
Purchase of equipment		(184,468)	(7,994)
Sale of fixed assets		16,715	-
Interest received	3	18,236	29,374
<b>Net cash flows from investing activities</b>		<b>10,920,914</b>	<b>5,123,047</b>
<b>Cash flows used in financing activities</b>			
Dividends		(1,061,775)	-
Cash flows from financing activities of predecessor LLP *		-	(238,000)
Interest paid	3	(15,524)	(15,385)
<b>Net cash flows from financing activities</b>		<b>(1,077,299)</b>	<b>(238,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>50,581</b>	<b>601,697</b>
Cash and cash equivalents at beginning of period		3,371,284	2,863,503
Effect of foreign exchange rate changes		34,920	(93,916)
<b>Cash and cash equivalents at end of period</b>		<b>3,456,785</b>	<b>3,371,284</b>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		3,456,785	3,371,284
Cash equivalents		-	-
<b>Cash and cash equivalents</b>		<b>3,456,785</b>	<b>3,371,284</b>

\*Cashflows for the period up to 1 March 2017 when trading as an LLP

See accompanying notes to the Financial Statements

**Notes to the Financial Statements  
For the year ended 31 March 2018****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 2018, using the acquisition method of accounting (except for those subsidiaries as described below). Intra-group transactions are eliminated on consolidation. The business transfer (described in the strategic report) was accounted for using merger accounting, and therefore the prior period comparative activity reflected in the group financial statements for the period ended 31 March 2017 comprises the company's first month of trading activity to 31 March 2017 together with the final five months of trading of the LLP, the predecessor managing entity.

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 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 uncertain partnerships. As a result, the directors believe that the group is well placed to manage its business risks successfully despite the current economic outlook.

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.



**Notes to the Financial Statements (continued) ;**  
**For the year ended 31 March 2018**

**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 and motor vehicles – 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.

**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 period in accordance with the rules of the schemes. Differences between contributions payable in the period 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

**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 consultancy 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. Other Reserve**

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, and represents the difference between the cash consideration paid and the value of the net assets acquired. The negative value, which was subject to independent valuation, reflects the acquisition of a number of management contracts for funds which were beyond their investment periods and on which management fees had stepped down and were below the cost of managing and exiting the remaining portfolios. The Acquisition Reserve is being released to the Statement of Comprehensive Income over the remaining life of these management agreements.

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

The preparation of the financial statements requires management to make significant judgements and estimates. Items in the financial statements where judgments and estimates have been made include the Acquisition Reserve which arose following the acquisition by Bridges Ventures LLP of the assets and business of Bridges Capital Limited as discussed in point (k) above. The non-consolidation of partnerships that the group controls is also as a key judgement, which is discussed at point (b) on page 15. Revenue arising from advisory team projects being recognised over the life of the project is also an area of judgement. Revenue for the 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.

**m. Financial Instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument.

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 company after deducting all of its liabilities.

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2018**

**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 2018			6 Months Ended 31 March 2017		
	UK £	USA £	Total £	UK £	USA £	Total £
Monitoring Fees	665,038	-	665,038	150,071	-	150,071
Advisory Fees	472,889	616,627	1,089,516	480,116	-	480,116
Rental Income	107,942	-	107,942	49,751	2,417	52,168
Other	21,721	-	21,721	-	-	-
	<b>1,267,590</b>	<b>616,627</b>	<b>1,884,217</b>	<b>679,938</b>	<b>2,417</b>	<b>682,355</b>

**3. Finance costs and income**

	Year Ended 31 March 2018 £	6 Months Ended 31 March 2017 £
Interest payable and similar charges	(15,524)	(15,385)
Other finance income	18,235	29,374
	<b>2,711</b>	<b>13,989</b>

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

	Year Ended 31 March 2018 £	6 Months Ended 31 March 2017 £
Depreciation of tangible fixed assets (note 8)	125,760	65,269
Release of acquisition reserve	(65,666)	(70,631)
Operating lease rentals	-	11,206
	<b>60,094</b>	<b>5,844</b>

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

<b>Fees payable to the company's auditor and its associates for the audit of the company's annual accounts</b>	<b>38,310</b>	<b>34,000</b>
<b>Total audit fees</b>	<b>38,310</b>	<b>34,000</b>
Other assurance services - pursuant to legislation	12,500	12,000
<b>Total audit and non audit fees</b>	<b>50,810</b>	<b>46,000</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 2018**

**5. Staff numbers and costs**

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

	Year Ended 31 March 2018	6 Months Ended 31 March 2017
No of employees	52	48
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	5,675,520	2,522,237
Members' remuneration ( re the former LLP)	-	815,990
Social security costs	679,322	275,318
Pension fund contributions	239,913	100,984
Other employee benefits	85,505	47,566
	<b>6,680,260</b>	<b>3,762,095</b>

**6. Directors' remuneration and transactions**

	Year Ended 31 March 2018	6 Months Ended 31 March 2017
	£	£
<b>Directors' remuneration</b>		
Salaries	72,000	821,990
Company contributions to money purchase pension schemes	9,996	833
	<b>81,996</b>	<b>822,823</b>
The prior year figure comprises drawings & remuneration re the former LLP		
<b>Remuneration of the highest paid director comprising :</b>		
Emoluments	33,996	174,893
	<b>33,996</b>	<b>174,893</b>

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

	Year Ended 31 March 2018	6 Months Ended 31 March 2017
	£	£
Group profit on ordinary activities before tax	2,593,008	442,478
Add back staff costs subject to personal tax	-	815,990
	<b>2,593,008</b>	<b>1,258,468</b>
Tax on group profit on ordinary activities at standard UK corporation tax rate of 19% per cent (2017: 20% per cent)	492,671	251,693
Effects of:		
- Income not included in determining taxable profit	19,888	(23,564)
- Movement on deferred tax liability not recognised	270,215	(19,710)
- Movement on deferred tax asset not recognised	(782,774)	-
- Profits subject to personal tax not corporation tax	-	(208,419)
Group total tax charge for period	-	-

The group has tax losses carried forward of £33,600,040 (2017: £35,578,173) 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 £5,712,007 (2017: £6,048,289).

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2018**

**8. Tangible fixed assets - group**

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2017	176,116	147,238	415,075	39,663	778,092
Additions	43,729	16,314	124,425	-	184,468
Disposals	-	(7,060)	(556)	(39,663)	(47,279)
At 31 March 2018	<b>219,845</b>	<b>156,492</b>	<b>538,944</b>	<b>-</b>	<b>915,281</b>
Depreciation					
At 1 April 2017	104,487	120,077	71,069	30,932	326,565
Provided for the year	45,699	17,644	58,010	4,407	125,760
Disposals	-	-	-	(35,339)	(35,339)
At 31 March 2018	<b>150,186</b>	<b>137,721</b>	<b>129,079</b>	<b>-</b>	<b>416,986</b>
Net book value					
At 1 April 2017	<b>71,629</b>	<b>27,161</b>	<b>344,006</b>	<b>8,731</b>	<b>451,527</b>
Net book value					
At 31 March 2018	<b>69,659</b>	<b>18,771</b>	<b>409,865</b>	<b>-</b>	<b>498,296</b>

**Tangible fixed assets - company**

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Motor Vehicles £	Total £
Cost or valuation					
At 1 April 2017	170,627	139,419	409,756	39,663	759,465
Additions	31,893	16,314	124,425	-	172,632
Disposals	-	-	-	(39,663)	(39,663)
At 31 March 2018	<b>202,520</b>	<b>155,733</b>	<b>534,181</b>	<b>-</b>	<b>892,434</b>
Depreciation					
At 1 April 2017	102,026	120,078	70,723	30,932	323,759
Provided for the year	43,115	17,536	57,730	4,407	122,788
On items disposed in the year	-	-	-	(35,339)	(35,339)
At 31 March 2018	<b>145,141</b>	<b>137,614</b>	<b>128,453</b>	<b>-</b>	<b>411,208</b>
Net book value					
At 1 April 2017	<b>68,601</b>	<b>19,341</b>	<b>339,033</b>	<b>8,731</b>	<b>435,706</b>
Net book value					
At 31 March 2018	<b>57,379</b>	<b>18,119</b>	<b>405,728</b>	<b>-</b>	<b>481,226</b>

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2018**

**9. Fixed asset investments**

	<b>Group 2018</b>	<b>Group 2017</b>	<b>Company 2018</b>	<b>Company 2017</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

\* 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 505 Eighth Avenue, Suite 1805, New York, 10018.

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2018**

**10. Debtors**

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Trade debtors	212,605	211,379	212,605	211,379
Other debtors	710,315	414,575	375,116	327,154
Amounts due from related parties (Note 18)	670,656	340,398	1,430,790	1,265,914
Prepayments and accrued income	322,297	284,390	264,654	265,686
VAT	52,017	48,592	48,833	23,692
	<b>1,967,890</b>	<b>1,299,334</b>	<b>2,331,998</b>	<b>2,093,825</b>

All amounts shown under debtors fall due within one year.

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

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Trade creditors	106,830	5,029	106,830	5,029
Amounts payable to related parties (Note 18)	664,757	634,306	258,828	601,937
Other tax and social security	186,573	130,432	186,573	130,432
Accruals and deferred income	765,187	640,686	317,545	464,715
Other creditors	49,100	139,720	49,414	146,681
	<b>1,772,447</b>	<b>1,550,173</b>	<b>919,190</b>	<b>1,348,794</b>

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

Provisions	Rent Reserve		Dilapidations Provision	
	Group £	Company £	Group £	Company £
At 1 April 2017	538,055	538,055	18,509	18,509
Movement during the year	(46,944)	(46,944)	105,916	105,916
At 31 March 2018	<b>491,111</b>	<b>491,111</b>	<b>124,425</b>	<b>124,425</b>

At 31 March 18 the company had a rental provision of £491,111 (2017: £538,055) 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 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 £124,425 at 31 March 2018 (2017: £18,509). In accordance with FRS102 a corresponding asset is shown on the Balance Sheet within fixed assets.

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2018**

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

	<b>Year Ended 31 March 2018 £</b>	<b>Period Ended 31 March 2017 £</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 are as follows: 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 at 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 2018 £</b>	<b>6 Months Ended 31 March 2017 £</b>
Operating Loss	(8,480,135)	(4,688,563)
Depreciation and amortisation	125,760	55,823
Gain on disposal	(12,391)	-
Release of Acquisition reserve	(65,666)	(70,631)
Reclassification of predecessor LLP equity	-	(79,855)
<b>Operating cash flow before movement in working capital</b>	<b>(8,432,432)</b>	<b>(4,783,226)</b>
 (Increase) / Decrease in debtors	 (668,561)	 903,798
Increase in creditors	(692,041)	(403,922)
 <b>Cash flows used in operating activities per cash flow statement</b>	 <b>(9,793,034)</b>	 <b>(4,283,350)</b>

**Notes to the Financial Statements (continued) ;  
For the year 31 March 2018**

**15. Financial commitments**

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

	2018 £	2017 £	2018 £	2017 £
Group: expiring				
- within one year	618,430	-	12,428	-
- between one and five years	2,435,082	-	32,676	89,204
- after five years	3,293,333	6,837,551	-	13,600
	<b>6,346,845</b>	<b>6,837,551</b>	<b>45,104</b>	<b>102,804</b>
Company: expiring				
- within one year	520,000	-	12,428	-
- between one and five years	2,080,000	-	32,676	83,491
- after five years	3,293,333	6,413,000	-	13,600
	<b>5,893,333</b>	<b>6,413,000</b>	<b>45,104</b>	<b>97,091</b>

**16. Employee benefits**

The company operates defined contribution pension schemes for its employees. The pension costs during the year amounted to £209,792 (2017: £92,926) for the company, and £239,913 (2017: £100,984) for the group. The assets of the schemes are held separately from those of the company in independently administered funds. The company had outstanding contributions of £22,897 at 31 March 2018 (2017: £21,542).

**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 £144k outstanding to directors at 31 March 2018 year end (2017: £222k). These loans are unsecured, and no interest was charged during the year.

**Other related party transactions**

The total remuneration for directors and LLP members for the year totalled £81,996 (2017: £822,823) as disclosed in note 6.



**Notes to the Financial Statements (continued) ;**  
**For the year 31 March 2018**

**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:

	Year Ended 31 March 2018 £	Period Ended 31 March 2017 £
Bridges Community Development Venture Fund II LP *	53,103	191,379
Bridges Ventures Fund III LP	1,934,134	1,159,047
Bridges Ventures Fund IV LP	865,969	-
Bridges Social Entrepreneurs Fund LP *	135,304	90,827
Bridges Social Impact Bond Fund LP	493,900	246,273
Bridges Social Interim LP	16,222	4,986
Bridges Evergreen Capital LP	313,747	149,589
Bridges Sustainable Property Fund LP	53,498	49,458
Bridges Property Alternatives Fund III LP	2,295,398	148,961
Bridges Property Alternatives Fund IV LP	3,705,925	1,049,587
The CarePlaces LP *	69,950	1,251,480
Bridges Ventures U.S. Sustainable Growth Fund LP	1,178,188	624,236
Bridges Urban View Seed Fund LP *	508,973	273,075
Bridges Community Ventures (Scotland) Limited *	114	114
Bridges SP Fund (Scotland) Limited *	329	-
Bridges CDV Fund II (Scotland) Limited *	17	849
	<b>11,624,771</b>	<b>5,239,861</b>

The fees shown above 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.

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

	Year Ended 31 March 2018 £	Period Ended 31 March 2017 £
Bridges Community Development Venture Fund II LP	-	153
Bridges Ventures Fund III LP	1,116	848
Bridges Ventures Fund IV LP	29,197	550
Bridges Social Impact Bond Fund LP	4,686	864
Bridges Social Interim LP	-	6,406
Bridges Evergreen Capital LP	1,442	20,475
Bridges Evergreen Holdings Ltd	50,070	-
Bridges Sustainable Property Fund LP	535	411
Bridges Property Alternatives Fund III LP	960	(582)
Bridges Property Alternatives Fund IV LP	1,496	1,896
The CarePlaces LP	1,542	362
Bridges Community Ventures (General Partner) Ltd	405	405
Bridges Community Ventures (Scotland) Ltd	1,384	1,660
Bridges CDV Fund II (General Partner) Ltd	3,140	3,140
Bridges CDV Fund II (Scotland) Ltd	658	642
Bridges Ventures III (General Partner) Ltd	73	73
Bridges Ventures IV (General Partner) Ltd	7,247	-
Bridges SP Fund (General Partner) Ltd	2	2
Bridges SP Fund (Scotland) Ltd	51	209
Bridges Property Alternatives Fund III (General Partner) LLP	300	300
Bridges Property Alternatives Fund IV (General Partner) LLP	21,243	-
Bridges Property Alternatives IV (Guernsey) Limited	-	4,416
The CarePlaces (General Partner) Ltd	-	34
Bridges Ventures Holdings Ltd	756,993	783,215
Bridges Ventures Inc.	548,250	440,435
	<b>1,430,790</b>	<b>1,265,914</b>

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2018**

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

Amounts owing as at 31 March 2018 to the funds and related group parties of the company were:

	Year Ended 31 March 2018 £	Period Ended 31 March 2017 £
Bridges Community Development Venture Fund 'A' LP	5,469	7,553
Bridges Community Development Venture Fund 'B' LP	23	23
Bridges Community Development Venture Fund II LP	14,325	48,962
Bridges Ventures Fund III LP	102,551	77,872
Bridges Ventures Fund IV LP	19,250	-
Bridges Social Entrepreneurs Fund LP	14,235	406,782
Bridges Social Impact Bond Fund LP	58,052	52,427
Bridges Social Interim LP	8,123	6,463
Bridges Evergreen Capital LP	24,731	1,855
Bridges Social Entrepreneurs Fund LP	11,163	-
Bridges Social Interim LP	906	-
	<b>258,828</b>	<b>601,936</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.