BRIDGES FUND MANAGEMENT LIMITED

ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Company No 10401079

TABLE OF CONTENTS **PAGE**

COMPANY INFORMATION

Directors	Christophe Evain Michele Giddens Philip Newborough Paul Richings Simon Ringer Clive Sherling 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 2 New Street Square London EC4A 3BZ

Strategic Report
for the year ended 31 March 2022

Bridges Fund Management was founded in 2002 originally as Bridges Ventures; it has been trading through Bridges Fund Management ("the company") since 1 March 2017). As such, 2022 marks the 20th anniversary of the group's launch. The group comprises of Bridges Fund Management and its subsidiaries.

Review of the business
The group's business is that of a mission-driven investment manager and/or adviser. As a pioneer in the Impact investment space, the group's funds invest in a range of private markets solutions that support the transition to a more inclusive and more 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 affiliates in Israel and Australia, the group's funds invest via four strategies: Growth Business, Long-term Capital, Property and Outcomes Contracts. Across all these strategies, its investment teams focus on four themes to help them source and select compelling investment opportunities: Healthier Lives, Future Skills, Sustainable Planet and Stronger Communities. Closely aligned with the UN's Sustainable Development Goals, these themes reflect social and environmental trends that are reshaping our world.

The group is also recognised for its industry-leading expertise in impact measurement and management. Its specialist in-house impact team works closely alongside the group's investment professionals, providing expertise and tools to optimise the commercial, as well as impact performance, of the investments managed by the group by utilising the experience gained since inception. The group then draws on this accumulated knowledge to support the growth of the broader market through its non-profit field-building and thought leadership arm, Bridges Insights.

In the last year, the investment portfolios managed by the group have continued their strong recovery from the challenges of Covid-19, which inevitably had an operational impact on some of the group's investments. As an impact-focused manager, Bridges' pandemic response was heavily focused on supporting its partners, portfolio company staff and broader stakeholders. The group firmly believes that this ensured the portfolio remained resilient throughout the pandemic, and has been able to recover well subsequently.

During this year, despite the challenges in the broader economy, we are pleased to report that all the portfolios that the group manages have continued to show a high degree of resilience and delivered strong performance. At the previous year-end, a number of exit processes were under way across the funds. These culminated in the realisation of three investments held by Bridges Sustainable Growth Fund III: World of Books, The Vet and Wholebake, with a consequent return of over £110m of proceeds to investors. The Bridges property funds also saw three successful exits during the period, from the investments in Castle House, Leeds, and the first two completed sites of the Birchgrove platform, in Sidcup and Woking. The group has held a successful final closing for its fifth Property Alternatives fund, in May 2022, with commitments totalling almost £350m secured. In fundraising terms, the focus has now switched to raising additional capital for our sustainable growth and outcomes strategies; both of these processes are off to a promising start.

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 funds completed 17 (2021: 13) new investments during the year. Highlights included Sustainable Growth Fund IV's acquisition of Talking Talent. Based in Oxfordshire, Talking Talent helps organisations to build more diverse, inclusive and equitable work cultures via coaching and leadership consulting programmes. The business works with progressive organisations to focus on the retention and career progression of under-represented employees, including women, ethnically diverse groups and working parents. Bridges will work closely with Talking Talent's management team to accelerate the business's growth, by enabling it to further broaden and deepen its consultancy capabilities and to expand its leading digital platform so that it can help more organisations around the world meet their goals faster.

The Sustainable Growth Funds also completed two further investments in the year. The first was a re-investment to acquire a minority stake in World of Books, shortly after the successful sale of the business by Sustainable Growth Fund III to funds managed by Livingbridge. The second investment was the acquisition of Tier 1, where a majority stake was acquired alongside co-investment from the North-West regional co-investment funds managed by the group. Tier 1 is a Manchester-based circular economy business with social and environmental impact at its core. The company sources end-of-life laptops, desktops and other IT assets from large corporates and intermediary used-IT hardware suppliers, refurbishes and upgrades the hardware, and then resells them to SMEs and public sector customers. Where resale is not possible, Tier 1 works to recycle the hardware parts and ensure their safe disposal, thereby reducing electronic waste.

Property Alternatives Fund V acquired an additional five sites during the year, with five further sites having exchanged contracts and progressing towards completion by the year-end, and terms for a number of further investments agreed and approved by the Fund's Investment Committee. It continues to target growth locations and alternative needs-driven sectors, with a focus on lower-cost housing, healthcare and low-carbon logistics.
Recent developments include Verda Park, a new 155,000 sq. ft. logistics development in Wallingford, South Oxfordshire, which reached practical completion shortly after year-end. The scheme, which consists of 12 units ranging from 5,000-40,000 sq. ft., will be 'Net Carbon Zero' in both construction and operation, making it one of the most sustainable industrial buildings in the UK. It is rated EPC A+ and BREEAM 'Excellent', and it is already over 70% pre-let.

Strategic Report (continued)
for the year ended 31 March 2022

Social Outcomes Fund II also launched three new projects in the year: Greater Manchester Better Outcomes Partnership, which is supporting young people at risk of homelessness in the Greater Manchester area; Spring, a social prescribing programme working to create sustained lifestyle changes and improved self-care for people living with long-term health conditions in Northamptonshire; and Refugees Better Outcomes Partnership, which supports recent refugees to secure suitable housing, integrate in their new communities and find employment. All three projects are off to a strong start: for instance SPRING has seen 270 people start its new programme, with 88% reporting improved wellbeing after six months.

This year also saw the official conclusion of the Impact Management Project (IMP), a global initiative to build consensus around measuring, managing and reporting on impact, which since 2016 has been hosted by Bridges Insights, the group's not-for-profit field-building practice.

In 2018, the IMP brought together a 'Structured Network' of 16 of the world's leading standard-setters – including UN agencies, the OECD, and leading corporate reporting initiatives. In 2020, the IMP facilitated a subset of the Network members to co-create a shared vision for corporate reporting, as well as prototype climate and general disclosure. This work provided a running start for the creation of the International Sustainability Standards Board (ISSB) by the IFRS Foundation, which will sit alongside the International Accounting Standards Board. The ISSB – announced at COP26 – is a significant step forward for the sector. Members of the IMP team continue to lead the development of this work. Other members have been building The Impact Management Platform, which launched in November: an evolution of the IMP, and led by leading international providers of sustainability resources, its goal is to mainstream the practice of impact management.

In addition, the Insights team has also been building a public good technology initiative called the Impact Classification System, which uses the 'impact classes' developed through the IMP to help investors assess and compare the impact of their investments across their portfolio (which from July 2022 will be handed over to the Global Impact Investing Network to manage). Insights will continue to seek out opportunities to build the market for sustainable and impact investing.

The current focus of the team at the group's US subsidiary, BV Inc, is on achieving profitable realisations of the US fund's remaining portfolio. The timing of any successor fund is at this stage unclear, and as such for prudency we have made a 25% provision (or £204k) against the cost of the group's investment in the subsidiary, together with a full provision against interest on the group's loan to BV Inc (£351k).

Key performance indicators
The total assets raised and managed by the group and the income generated by its funds under management represent the group's primary key performance indicators.

The group has raised commitments approaching £1.4bn since inception of the Bridges platform in 2002, including £1.2bn which is committed to 'live' funds currently under management. This includes almost £200m raised since the previous year-end for the fifth fund in the group's real estate strategy; an initial £51m of additional capital for the private equity strategy, and £21m ($26m) for a new fund focused on outcomes-based contracts in developing markets. In addition, the group has access to additional capital provided by certain of its investors for co-investment. At 31 March 2022, the group had cash reserves totalling £7.6m (31 March 2021: £7.7m).

The group generated total comprehensive income of £2.2m in the year to 31 March 2022 (year to 31 March 2021: £2.4m). The group's income is derived predominantly from the management of 11 private investment funds, with a further five funds having reached the end of their fixed lives during prior periods and one, the Social Entrepreneurs Fund, during the year ended 31 March 2022. The company acts as liquidating trustee to terminated funds pending completion of the winding up process, which was previously achieved for the Care Places Fund. This leaves five funds currently in liquidation.

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 fundraising 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 group is subject to relevant FCA regulations. The group is therefore exposed to the risk that it may breach one or more regulatory rules, including those governing the maintenance of appropriate levels of regulatory capital and liquid capital. The group 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 and its US subsidiary are also registered in the US with the Securities and Exchange Commission ("SEC") as Exempt Reporting Advisers, by virtue of the fund management activity of the 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.

Strategic Report (continued)
for the year ended 31 March 2022

Bridges' climate goals
Climate change is the single biggest threat to our lives and ecosystems, and the lives of future generations. All organisations will be affected by the two big risks climate change poses: the unknown path to transition to a lower-carbon economy and the inestimable physical impacts of climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements, which in turn will likely pose varying levels of financial and reputational risk to organisations.

Bridges has adopted a climate policy which builds on our long-standing investment philosophy to support the transition to a more inclusive and sustainable economy. Our Net Zero goals have the ambition of reaching Net Zero by 2040 or sooner.

We expect all investments will have a science-based target to achieve this goal by 2030. There is still not much guidance on achieving Net Zero goals as an asset manager, so we have also committed to working with peers to develop this guidance, while also leading by example in our decarbonisation efforts. In particular, we're going to focus on five areas:

• **More investment in climate solutions** – like the low-carbon logistics developments our property funds are doing, or businesses like AgilityEco, Tier 1 and World of Books. We aim to net out our emissions across the platform;
• **Go beyond carbon** – we are going to be thinking about the role we need to play in preserving our planet's scarce resources – such as water and biodiversity – that will now become a core part of the assessment for each investment opportunity, whether or not it is material to that business. This will help our investments prepare for forthcoming standards;
• **Enable a just transition** – we will share what we learn about building inclusive businesses, recognising that there's still work to do in aligning this with the decarbonisation agenda
• **Enhance our measurement** – we will focus on obtaining reliable Scope 3 emissions data – because if we don't have that, we won't know if we're making meaningful progress against our goals
• **Be transparent on progress** – we will share transparent updates on progress towards these goals – recognising that we, and the broader sector, still have a lot to learn about preparing for a low-carbon future.

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 6-7.

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 scope of the group's activities has 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.

Following the UK's departure from the European Union, a trade deal between the UK and the EU came into effect on 1 January 2021. However, financial services were outside the scope of this arrangement, and therefore the group is no longer able to make use of the marketing passport previously available under AIFMD. The group will in future market its funds in Europe under the provisions of the relevant jurisdictions' national private placement regimes.

While the impact of the COVID-19 crisis and of the conflict in Ukraine continue to be felt, there have been no significant new events between the Statement of Financial Position date and the date of signing these accounts. The directors do not believe that the Russia/Ukraine conflict will have any direct impact on the group; in particular, the group has no investors or investments that are subject to economic sanctions.

Approved by the Board and signed on its behalf:

P.D. Richings

Paul Richings
Director
28 July 2022

Directors' Report
for the year ended 31 March 2022

The directors present their report on the affairs of the group, together with the strategic report and audited financial statements, for the year ended 31 March 2022.

Future developments
Details of future developments and events that have occurred after the Statement of Financial Position date can be found in the Strategic Report on pages 3 to 5 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 a period of at least twelve months from the date of approval of the financial statements. 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. No investors have defaulted on capital calls since the firm's inception in 2002, and there is no expectation that any will do so in future. The group prepares detailed annual budgets and updates its forecasts on an ongoing basis; those forecasts confirm that the group will continue to trade profitably. The directors do not believe that the Russia/Ukraine conflict will have any direct impact on the group; in particular, the group has no investors or investments that are subject to economic sanctions

Further details regarding the adoption of the going concern basis can be found in the accounting policies listed in Note 1 to the financial statements.

Financial risk management objectives and policies
As mentioned in the Strategic Report on page 5, 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 its 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 Statement of Financial Position 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 maintains cash balances with more than one bank.

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 obligations, it is required to hold a significant proportion 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 2022

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 to 5.

Dividends
The paid interim A ordinary dividends totalling £838,558 during the year (2021:£600,000). In addition, interim dividends totalling £1,211,938 were paid on the C preference shares (£1.2663 per C preference share) (2021: £859,976). No final dividend is proposed.

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

Christophe Evain
Michele Giddens
Philip Newborough
Paul Richings
Simon Ringer
Clive Sherling
Brian Trelstad

There are no key management personnel other than those listed above.

Directors' indemnities
The group has arranged professional third party 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 in accordance with the provisions of s418 of Companies Act; and
• the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Deloitte LLP have expressed their willingness to be reappointed for another term and a resolution to reappoint them was proposed at the July 2022 board meeting.

Approved by the Board and signed on its behalf by:

P.D. Richings

Paul Richings
Director
28 July 2022

Directors' Responsibilities Statement

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". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 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's 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

Report on the audit of the financial statements

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 2022 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 parent 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

•The priority profit share (PPS) charged to the underlying funds is calculated based on fund commitments or invested contributions and fee rates as set out in the underlying Limited Partnership Agreements. There is a risk that inputs relating to fund commitments, invested contributions or fee rates are incorrect or transactions are not recognised in the appropriate period. To respond to this risk, we obtained an understanding of the relevant internal controls and evaluated the effectiveness of the design and implementation of these controls. We further developed an understanding of the process for calculating and accruing the PPS, and tested a sample of PPS transactions to the respective notices and bank statements to ensure that the correct inputs were used in the calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:
•reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
•performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
•enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and reading minutes of meetings of those charged with governance.

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

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 during 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.

Yasir Aziz (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28/07/2022

Consolidated Statement of Comprehensive Income & Other Comprehensive Income For the Year ended 31 March 2022

	Note	Year Ended 31 March 2022	Year Ended 31 March 2021
		£	£
Turnover	2	4,691,818	4,088,163
Administrative expenses			
Staff costs	5	(9,489,411)	(8,342,656)
Other operating expenses	4	(6,149,078)	(4,530,519)
Operating loss		(10,946,671)	(8,785,012)
Share of results of associated undertakings	1	13,609,102	11,402,980
Other finance income	3	23,256	-
Profit on ordinary activities before taxation		2,685,687	2,617,968
Tax on profit on ordinary activities	7	(190,304)	(236,836)
Profit on ordinary activities after taxation		2,495,383	2,381,132
Foreign currency (losses) / gains		(286,314)	41,582
Net profit attributable to equity shareholders of the company		2,209,069	2,422,714

All results derive from continuing operations.

There are no items of Other Comprehensive Income and therefore a separate statement has not been presented.

The notes on pages 17 - 25 form an integral part of the financial statements.

Consolidated Statement of Financial Position
As at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Fixed assets			
Tangible assets	8	333,840	367,111
Investments	9	804	720
		334,644	367,831
Current assets			
Debtors	10	4,796,963	3,526,143
Cash at bank and in hand		7,589,099	7,658,739
Creditors: amounts falling due within one year	11	(3,930,682)	(3,270,810)
Net current assets		8,455,380	7,914,072
Total assets less current liabilities		8,790,024	8,281,903
Creditors: amounts falling due after one year			
Provisions for liabilities	12	(450,428)	(493,762)
Net assets		8,339,596	7,788,141
Capital and Reserves			
Called-up share capital	13	112,741	112,741
Other reserves	13	1,306,452	1,306,452
Profit and loss account		6,920,403	6,368,948
Shareholders' funds		8,339,596	7,788,141

The financial statements of Bridges Fund Management Limited (registration number: 10401079) were approved by the board of directors and authorised for issue on 28 July 2022. They were signed on its behalf by:

P.D. Richings

Paul Richings
Director

The notes on pages 17 - 25 form an integral part of the financial statements.

Company Statement of Financial Position
As at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Fixed assets			
Tangible assets	8	328,274	359,286
Investments	9	96	12
		328,370	359,298
Current assets			
Debtors	10	5,299,176	4,643,151
Cash at bank and in hand		6,566,764	6,179,068
Creditors: amounts falling due within one year	11	(3,082,297)	(2,537,703)
Net current assets		8,783,643	8,284,516
Total assets less current liabilities		9,112,013	8,643,814
Creditors: amounts falling due after more than one year			
Provisions for liabilities	12	(450,428)	(493,762)
Net assets		8,661,585	8,150,052
Capital and reserves			
Called-up share capital	13	112,741	112,741
Other reserves		2,184,916	2,184,916
Profit and loss account		6,363,928	5,852,395
Shareholders' funds		8,661,585	8,150,052

The profit for the financial year dealt with in the financial statements of the parent company was £2,562,029 (2021: £2,903,706). 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 28 July 2022. They were signed on its behalf by:

Paul Richings
Director

The notes on pages 17 - 25 form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 March 2022

	Called-up Share Capital £	Other Reserves £	Profit & Loss Account £	Total £
Balance at 1 April 2020	112,741	1,306,452	5,118,959	6,538,152
Movement in other reserves	-	-	287,251	287,251
Dividends	-	-	(1,459,976)	(1,459,976)
Total comprehensive income for the year	-	-	2,422,714	2,422,714
Balance at 31 March 2021	**112,741**	**1,306,452**	**6,368,948**	**7,788,141**
Opening Balance at 1 April 2021	112,741	1,306,452	6,368,948	7,788,141
Movement in other reserves	-	-	392,882	392,882
Dividends	-	-	(2,050,496)	(2,050,496)
Total comprehensive income for the year	-	-	2,209,069	2,209,069
Balance at 31 March 2022	**112,741**	**1,306,452**	**6,920,403**	**8,339,596**

Company Statement of Changes in Equity
For the year ended 31 March 2022

	Called-up Share Capital £	Other Reserves £	Profit & Loss Account £	Total £
Balance at 1 April 2020	112,741	2,184,916	4,408,665	6,706,322
Dividends	-	-	(1,459,976)	(1,459,976)
Total comprehensive income for the year	-	-	2,903,706	2,903,706
Balance at 31 March 2021	**112,741**	**2,184,916**	**5,852,395**	**8,150,052**
Opening Balance at 1 April 2021	112,741	2,184,916	5,852,395	8,150,052
Dividends	-	-	(2,050,496)	(2,050,496)
Total comprehensive income for the year	-	-	2,562,029	2,562,029
Balance at 31 March 2022	**112,741**	**2,184,916**	**6,363,928**	**8,661,585**

The notes on pages 17 - 25 form an integral part of the financial statements.

Consolidated Cash Flow Statement
For the year ended 31 March 2022

	Note	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Cash flows used in operating activities	14	(10,508,964)	(8,831,666)
Cash flows from investing activities			
Cash inflows from associated undertakings		13,609,102	11,402,980
Purchase of equipment	8	(55,011)	(32,966)
Interest received	3	23,256	-
Net cash flows used in investing activities		13,577,347	11,370,014
Cash flows used in financing activities			
Dividends		(2,050,496)	(1,459,976)
Net cash flows used in financing activities		(2,050,496)	(1,459,976)
Effect of foreign exchange rate changes		(15,018)	41,582
Tax paid		(1,072,509)	-
Net (decrease) / increase in cash and cash equivalents		(69,640)	1,119,954
Cash and cash equivalents at beginning of year		7,658,739	6,538,785
Cash and cash equivalents at end of year		7,589,099	7,658,739
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		7,589,099	7,658,739
Cash and cash equivalents		7,589,099	7,658,739

The notes on pages 17 - 25 form an integral part of the financial statements.

Notes to the Financial Statements
For the year ended 31 March 2022

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 England, 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 5.

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, cashflow statement 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 Limited as an individual limited company and all of its subsidiary undertakings as at 31 March 2022, 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 to 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 investment partnerships. As a result, the directors believe that the group is well placed to manage its business risks successfully despite the current economic outlook. More detail can be found in the Strategic and Directors' reports.

The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of financial statements. 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)

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

e. Operating leases
Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis net of any rent incentives.

f. Pension costs and other post-retirement benefits
The company makes payments into defined contribution pension 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 Statement of Financial Position.

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 and rebates received in the year. Fees are recognised as earned in accordance with the underlying contracts and agreements.

h. Foreign currency
The results of overseas operations are translated at the average rates of exchange during the year and their Statement of Financial Positions at the rates ruling at the Statement of Financial Position 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, 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 Statement of Financial Position 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
In application of the group's accounting policies, which are described in this note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical estimates or estimation uncertainty.

The preparation of the financial statements requires management to make significant judgements and estimates:

a)Non consolidation of partnerships
The non-consolidation of partnerships that the group controls is a key judgement, which is discussed at point (b) on page 17.
b)Advisory fee income
A further area of judgement is the recognition of revenue arising from advisory projects over the life of those projects. Judgement is required to determine when and how to recognise grants as grants have different conditions attached to them. The group recognises a grant when there is reasonable assurance that it will comply with the relevant conditions and therefore judgement is required to establish if the conditions have been complied with. Revenue for each project is recognised on a funder by funder basis.
c)Deferred tax
The company has not recognised a deferred tax asset due to the unpredictability of future profit streams in the companies where the losses reside. The recognition of deferred tax assets is a key judgement of the directors who anticipate that there will be sufficient profits arising in the future years to utilise these temporary differences.

l. Operating expenses
Operating expenses comprise amounts incurred in the operations of the business, including amounts recharged by other group undertakings, and are recognised as incurred.

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

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 2022			Year Ended 31 March 2021		
	UK	USA	Total	UK	USA	Total
	£	£	£	£	£	£
Monitoring Fees	1,929,295	632,250	**2,561,545**	1,436,956	631,900	**2,068,856**
Advisory Fees	1,752,582		**1,752,582**	1,652,492	-	**1,652,492**
Rental Income	98,823		**98,823**	141,580	-	**141,580**
Other	205,691	73,177	**278,868**	67,578	157,657	**225,235**
	3,986,391	**705,427**	**4,691,818**	**3,298,606**	**789,557**	**4,088,163**

3. Other finance income

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£	£
Other finance income	23,256	-
	23,256	**-**

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

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£	£
Depreciation of tangible fixed assets (note 8)	88,200	95,185
General office expenses	943,514	704,871
Travel	51,975	29,642
Entertainment	75,379	9,747
Marketing	112,273	65,333
Consultancy fees	760,303	751,651
Professional fees	553,694	352,464
Donations	687,884	603
Audit & accountancy fees	256,392	211,315
Monitoring fees	658,593	631,900
Rent	504,184	540,810
Other staff costs	254,152	134,698
Irrecoverable VAT	220,930	207,280
Bad & doubtful debts	478,138	5,022
Other operating expenses	503,467	789,997
	6,149,078	**4,530,519**

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	69,190	61,690
Total audit fees	69,190	61,690
Other assurance services - pursuant to legislation	21,050	19,700
Total audit and non audit fees	90,240	81,390

There were no other non-audit services provided to the group by the auditor in the current or previous period. The amount paid for the audit of the group's accounts includes amounts relating to the auditing of accounts of subsidiaries of the company.
No services were provided pursuant to contingent fee arrangements.

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

5. Staff numbers and costs

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

	Year Ended 31 March 2022	Year Ended 31 March 2021
No of employees	57	53
Group	£	£
Their aggregate remuneration comprised:		
Wages and salaries	8,116,164	6,850,240
Social security costs	1,033,385	816,751
Pension fund contributions	287,628	315,587
Other employee benefits	52,234	52,439
	9,489,411	8,035,017
Company		
Wages and salaries	6,725,424	5,437,279
Social security costs	878,506	689,731
Pension fund contributions	241,856	224,906
	7,845,786	6,351,916

The company recharges some of its payroll costs to its subsidiary companies for time these employees spend on the respective entities.
The company had 33 staff in investment management (2021: 33) and 24 in functions supporting investment management activity (2021: 20).

6. Directors' remuneration and transactions

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Directors' remuneration		
Salaries	730,138	664,901
Company contributions to money purchase pension schemes	4,000	8,333
	734,138	673,234
Remuneration of the highest paid director comprising :		
Emoluments	490,759	274,033
	490,759	274,033

7. Tax on profit on ordinary activities

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Group profit on ordinary activities before tax	**2,399,373**	**2,681,195**
Tax on group profit on ordinary activities at standard UK corporation tax rate of 19% per cent (2020: 19% per cent)	455,881	509,427
Effects of:		
- Expenses not within the scope of UK taxation	353,822	-
- Income not included in determining taxable profit	(117,885)	(40,031)
- Movement on deferred tax liability not recognised	-	1,202,863
- Movement on deferred tax asset not recognised	(691,818)	(1,565,719)
- Expenses not within the scope of UK taxation	-	130,296
- Prior year tax charge adjustment	190,304	-
Group total tax charge for year	190,304	236,836

The group had tax losses carried forward as at 31 March 2022 of £14,139,511 (2021: £13,513,495). The recognition of deferred tax assets is a key judgement of the directors. While the directors believe there will be sufficient profits arising in future years to utilise the relevant temporary differences, the profit streams of the group entities in which the losses reside is uncertain, and therefore no deferred tax asset has been recognised in the group accounts. The deferred tax amount not recognised is £3,534,878 (2021: £2,567,673).

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

8. Tangible fixed assets - group

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2021	287,986	154,674	547,536	990,196
Additions	49,340	1,896	3,775	55,011
Disposals	-	(50)	(32)	(82)
At 31 March 2022	**337,326**	**156,520**	**551,279**	**1,045,125**
Depreciation				
At 1 April 2021	220,672	153,235	249,178	623,085
Provided for the year	47,108	1,288	39,804	88,200
Disposals	-	-	-	-
At 31 March 2022	**267,780**	**154,523**	**288,982**	**711,285**
Net book value				
At 31 March 2021	**67,314**	**1,439**	**298,358**	**367,111**
Net book value				
At 31 March 2022	**69,546**	**1,997**	**262,297**	**333,840**

Tangible fixed assets - company

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2021	266,208	153,901	542,406	962,515
Additions	47,229	1,896	3,775	52,900
At 31 March 2022	**313,437**	**155,797**	**546,181**	**1,015,415**
Depreciation				
At 1 April 2021	203,146	152,794	247,289	603,229
Provided for the year	43,373	1,151	39,388	83,912
At 31 March 2022	**246,519**	**153,945**	**286,677**	**687,141**
Net book value				
At 31 March 2021	**63,062**	**1,107**	**295,117**	**359,286**
Net book value				
At 31 March 2022	**66,918**	**1,852**	**259,504**	**328,274**

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

9. Fixed asset investments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cost	720	720	12	12
Additions	84	-	84	-
Net book Value	804	720	96	12

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

	Shares Held £	Country of Incorporation £	% of Ownership £	Principal Activity
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 Ventures IV(B) (General Partner) Ltd *	Ordinary £1	England & Wales	100%	General partner
Bridges Ventures IV (B) (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
The CarePlaces (General Partner) Limited *	Ordinary £1	England & Wales	100%	General partner
BFM GP Commit Limited *	Ordinary £1	England & Wales	100%	Holding Company
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
Bridges Healthcare LLP	n/a	England & Wales	60%	Advisory Services
Bridges Outcomes Ltd	n/a	England & Wales	100%	Fund Management

* Held indirectly through Bridges Ventures Holdings Ltd.
All these entities are exempt by Companies Act section s479A from having a statutory audit, with the exception of Bridges Outcomes 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, USA.

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

10. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	936,011	510,344	936,011	510,344
Other debtors	494,820	626,631	465,029	599,207
Amounts due from related parties (Note 18)	1,970,053	1,431,958	2,752,701	2,765,873
Prepayments and accrued income	1,096,435	655,752	1,013,533	644,819
VAT and other taxes	299,644	301,458	131,902	122,908
	4,796,963	**3,526,143**	**5,299,176**	**4,643,151**

All amounts shown under debtors fall due within one year. These amounts are unsecured, bear no interest and are receivable on demand. Amounts due from related parties relate to fund limited partnerships, and are not eliminated on consolidation.

11. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	2,811	-	-	-
Amounts payable to related parties (Note 18)	1,853,678	1,323,604	1,810,116	1,284,304
Other tax and social security	277,730	291,509	265,987	253,252
Accruals and deferred income	1,387,550	1,367,947	1,005,944	945,066
Other creditors	408,912	287,750	250	55,081
	3,930,682	**3,270,810**	**3,082,297**	**2,537,703**

These amounts are unsecured, bear no interest and are payable on demand. The amounts payable to related parties are due to fund limited partnerships and are not eliminate on consolidation.

12. Creditors: amounts falling due after one year

Provisions	Group & Company Rent Reserve £	Dilapidations £	Group & Company Total £
At 1 April 2021	361,112	132,650	493,762
Movement during the year	(43,334)	-	(43,334)
At 31 March 2022	**317,778**	**132,650**	**450,428**

At 31 March 2022 the company had a rental provision of £317,778 (2021: £361,112) representing the balance of amounts originally 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 maintained 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 2022 (2021: £132,650). In accordance with FRS102 a corresponding asset is shown on the Statement of Financial Position within fixed assets.

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

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

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
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
1,274,130 C Preference shares of 0.01 each	12,741	12,741
	112,741	112,741

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:

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Operating loss	(11,232,987)	(8,785,012)
Depreciation and amortisation	88,201	92,363
Operating cash flow before movement in working capital	**(11,144,786)**	**(8,692,649)**
Increase in debtors	(1,260,820)	(217,819)
Increase in creditors	616,538	78,802
Tax impact on movement in debtors/creditors	1,280,104	-
Cash flows used in operating activities per cash flow statement	**(10,508,964)**	**(8,831,666)**

15. Financial commitments

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

	Land & Buildings 2022 £	2021 £	Other 2022 £	2021 £
Group:				
- within one year	540,000	540,000	6,225	7,819
- between one and five years	2,160,000	2,160,000	-	-
- after five years	1,260,000	1,800,000	-	-
	3,960,000	4,500,000	6,225	7,819
Company:				
- within one year	540,000	540,000	6,225	7,819
- between one and five years	2,160,000	2,160,000	-	-
- after five years	1,260,000	1,800,000	-	-
	3,960,000	4,500,000	6,225	7,819

Notes to the Financial Statements (continued)
For the year ended 31 March 2022

16. Employee benefits

The company operates defined contribution pension schemes for its employees. The pension costs during the year amounted to £287,268 (2021: £315,587) for the group and £241,856 (2021: £224,907) 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 £48,950 at 31 March 2022 (2021: £43,315).

17. Subsequent events

On 20 May 2022, the group achieved a final closing of its Property Alternatives Fund V, at close to the fund's hard cap of £350m.
On 27 April 2022, the fund managed by Bridges Outcomes Limited achieved a second closing, taking total commitments to $26m.

18. Related party transactions

Loans totalling £529,965 were outstanding to directors at the 31 March 2022 year end (2021: £544,630). 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 £734,138 (2021: £673,234) as disclosed in note 6.

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 summarised below:

The fees shown below are reduced by the whole of any underwriting or abort fees and by a proportion of any transaction fees, investment fees, corporate finance fees and other fees received by the group from the investments held by the funds. This proportion is determined by each fund's limited partnership

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Management fees	14,864,829	12,766,590

The most significant management fees for year ended March 2022 was Bridges Property Alternatives V LP £4,392,817 (2021: £744,445).

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

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Related party debtors	2,752,701	2,765,875

Significant debtor balances for year ended March 2022 include Bridges Evergreen Capital LP £494,191 (2021: £342,756), Bridges Property Alternatives V LP £743,456 (2021: £217,696) and Bridges Ventures Holdings Limited £1,747,209 (2021: £1,973,079).

Amounts owing as at 31 March 2022 to the funds and related group parties of the company were:

	Year Ended 31 March 2022 £	Year Ended 31 March 2021 £
Related party creditors	1,810,116	1,282,731

19. Ultimate controlling parties

Philip Newborough & Michele Giddens are deemed to have ultimate control of the company.