

**BRIDGES FUND MANAGEMENT LIMITED**  
**ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Company No 10401079**



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**COMPANY INFORMATION**

Directors	Christophe Evain	(Appointed 10 November 2020)
	Michele Giddens	
	Stephen Morrison	(Resigned 20 August 2020)
	Philip Newborough	
	Paul Richings	
	Simon Ringer	
	Antony Ross	( Resigned 16 December 2020)
	Clive Sherling	(Appointed 10 November 2020)
	Brian Trelstad	
Company Secretary	Paul Richings	
Registered Office	38 Seymour Street London United Kingdom W1H 7BP	
Bank	The Royal Bank of Scotland International Ltd 1 Princes Street London EC2R 8BP	
Legal Advisers	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT	
Independent Auditor	Deloitte LLP Statutory Auditor Hill House 1 Little New Street London EC4A 3TR	

**Strategic Report**

for the year ended 31 March 2021

Bridges Fund Management Limited ("the company") was incorporated on 29 September 2016, and commenced trading on 1 March 2017, the date on which, pursuant to a business transfer agreement, it took over the private equity fund management business of Bridges Ventures LLP. As of that date, the company became parent entity to all the former subsidiaries of Bridges Ventures LLP ("the LLP"), together comprising the Bridges Group ("the group"/"Bridges"). 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/or adviser. It invests 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 an affiliate in Israel, the group invests via three strategies: Growth Business, Property and Outcomes Contracts. Across all these strategies, its investment teams focus on four specific themes to help them source and select compelling investment opportunities: Healthier Lives, Future Skills, Sustainable Planet and Stronger Communities. Closely aligned with the UN's Sustainable Development Goals, these themes reflect social and environmental mega-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 and impact performance of the group's investments, and to capture the lessons learned. 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.

The year has been dominated by the impact of the COVID-19 pandemic. As reported twelve months ago, the group responded rapidly when the crisis hit, creating a cross-team taskforce to coordinate its response and share best practice across the platform. The initial focus was on safeguarding the Bridges team, portfolio partners and other stakeholders, while also maintaining business or service continuity. From a portfolio perspective, this included the drawing-down of available revolving credit facilities; the provision of careful and frequent updates to debt providers; cash flow modelling for all assets; understanding the downside scenarios; and working with management teams to apply for tax extensions and explore the use of available government support schemes.

Subsequently, the focus switched to impact-driven innovation across the platform, with a view to engaging key stakeholders, protecting the most vulnerable and optimising the group's assets both for the pandemic period and also the post-COVID recovery.

For instance, it worked with a number of partners to develop new delivery models for existing services, while also supporting ongoing operations through a portfolio-wide procurement initiative to source personal protective equipment. Many of the group's partners also made significant philanthropic contributions to their local communities, including Impact Food Group, which provided packed lunches for vulnerable children and takeaway meals for NHS workers, and West London Zone, which raised over £35,000 to buy essential food, household supplies and IT equipment for families suffering during lockdown.

Against this backdrop, we are pleased to report that the investment portfolios managed by the group have continued to deliver strong performance and have shown a high degree of resilience to the effects of the pandemic. Market conditions were not conducive to the realisation of investments in 2020; but now that restrictions are being lifted, a number of exit processes are under way across the funds, which should see the crystallisation of significant value for investors during 2021. The group has also been able to hold an initial and subsequent closing for its fifth Property Alternatives fund, with commitments totalling almost £150m secured to date.

The group continues to benefit from managing a diversified range of funds at varying stages of their respective cycles, and as such enjoys a stable and predictable revenue stream. The group completed 13 new investments across its platform of funds during the year. Highlights included Sustainable Growth Fund IV's acquisitions of Matrix and Nkuku. Based in the Northwest of England, Matrix develops and sells fleet management solutions to fleet operators, rental & leasing businesses and insurance companies. Its hardware and software solutions aim to make occupational driving in the UK both safer & cleaner, which in turn reduces overall road risk and emissions in the UK. Nkuku is an ethical homewares retailer based in Devon. The company sources directly from a longstanding network of suppliers based primarily in India and other parts of Southeast Asia, enabling it to support traditional forms of craftsmanship, and to bring consumers a differentiated aesthetic.

Property Alternatives Fund IV completed its investment programme during the year with the acquisition of four further development sites, in addition to two additional sites for the Birchgrove assisted living platform; Property Alternatives Fund V has already made four investments, with a further four either having exchanged contracts or where terms are agreed and approved by the Fund's Investment Committee. The US Sustainable Growth Fund also completed its investment programme, with investments into James River Home Health and Altius Holdings, respectively a home health and hospice provider in Richmond, Virginia, and a fast-growing dental services organisation supporting affiliated dental practices in underserved areas of rural Texas.

**Strategic Report (continued)**  
for the year ended 31 March 2021

Social Outcomes Fund II also launched three new projects in the year. Two were expansions or follow-ups to projects supported by Bridges' first social outcomes fund: West London Zone, a programme that works with struggling schoolchildren, and GMBOP, which supports rough sleepers in Greater Manchester; while the third, Norfolk Carers Partnership, was a programme designed to support full-time carers in Norfolk.

The year also saw the incorporation of a new subsidiary of the group, Bridges Outcomes Limited. Bridges Outcomes Limited was authorised by the Financial Conduct Authority ("the FCA") with effect from 1 March 2021. The company is authorised under MiFID, which will in future allow it to manage outcomes contract portfolios on a delegated basis.

Bridges Insights, the group's field-building arm, has continued to host the Impact Management Project ("IMP"), a global initiative that is aiming to build consensus around measuring, managing and reporting on impact. The IMP continues to make remarkable progress. In its initial phase, it brought together over 2,000 practitioners from across the sector to develop a shared definition of "impact" and the related types of data required for measurement and disclosure. More recently, via the IMP Structured Network, it has been supporting an unprecedented collaboration between 16 of the world's leading standard-setting organisations. During the year, IMP facilitated the coming together of all five members of the Network focused on sustainability and integrated reporting to publish a joint statement of intent. The statement articulates a shared vision of the standards needed for comprehensive corporate reporting, and a commitment to work together to achieve it. This promising momentum suggests that an overall system of standards that work together is now a very real prospect for the first time.

**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 exceeding £1.2bn since inception of the Bridges platform in 2002, including £950m which is committed to 'live' funds currently under management. This includes the additional £149m raised during the year for the latest fund in the group's real estate strategy. In addition, the group has access to additional capital provided by certain of its investors for co-investment. At 31 March 2021, the group had cash reserves totalling £7,658,739 (31 March 2020: £6,538,785).

The group generated total comprehensive income of £2,422,714 in the year to 31 March 2021 (year to 31 March 2020: £3,636,659). 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. 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 four 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 fund raising may be difficult. The group mitigates this risk in a number of ways. It has refined its investment strategy over a number of years, and will target investments where its thematic approach can add value throughout the investment cycle. The group has a clear, replicable investment process, and employs a high-calibre, experienced team to execute its strategy.

**Regulatory Risk**

As financial services businesses authorised and regulated by the FCA, the company and its regulated subsidiary are subject to relevant FCA regulations. They are therefore exposed to the risk that they will breach one or more regulatory rules, including those governing the maintenance of appropriate levels of regulatory capital and liquid capital. The companies closely monitor their current and forecast regulatory capital positions, ensuring that they will at all times have sufficient headroom above the requirements. Furthermore, the group 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 Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") has developed recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient – and as such provide decision-useful information for lenders, insurers, and investors. In 2020, we publicly supported the TCFD; and in line with its recommendations, we have been working to incorporate climate risks and opportunities into our governance, strategy, risk management and targets, both at the Manager and portfolio level. Supporting the TCFD has been a natural step for Bridges, and the group is keen to collaborate and help the Task Force to develop meaningful and useful climate-risk related disclosures that can also support decision-making within small- and medium-sized businesses.

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. This may have an impact on the group's ability to market its future funds within the EU, albeit the group is able for the time being to market to investors in the EU via the relevant national private placement regimes.

**Strategic Report (continued)**  
for the year ended 31 March 2021

The EU's Sustainable Finance Disclosure Regulation ("SFDR") came into force after the end of the Brexit transition period, and as such does not apply directly to either the company or to Bridges Outcomes Limited, which are both non-EU managers. Nevertheless, the group intends to align voluntarily with the requirements of SFDR over time, and will continue to review its disclosure arrangements as the EU adopts final Regulatory Technical Standards, which is due to occur before 1 January 2022.

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

**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.

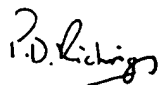
**Future developments**

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.

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

Approved by the Board and signed on its behalf:



Paul Richings  
Director  
14 July 2021

**Directors' Report**

For the year ended 31 March 2021

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 2021.

**Future developments**

Details of future developments and events that have occurred after the Balance Sheet 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 the foreseeable future. In particular they have considered the possible impact of the continuing coronavirus pandemic ("COVID-19") on the group's continuing ability to operate, which would be an issue in the event that significant numbers of investors were in default following a capital call. The group's revenue is primarily derived from investment management fees, coming from a diversified body of investors across the group's range of funds, of whom the majority by value are financial institutions. The directors believe that the group's investors are financially secure and that the possibility that they will default when capital is called is remote. No such defaults have occurred since the firm's inception in 2002. The directors 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 listed in Note 1 to 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.

**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 2021**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 company paid an interim A ordinary dividend of £600,000 (8.571p per A ordinary share) during the year (2020: £nil). In addition, interim dividends totalling £859,976 were paid on the C preference shares (0.25p per C preference share) (2020: £1,497,041). No final dividend is proposed.

**Directors**

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

Christophe Evain	(appointed 10 November 2020)
Michele Giddens	
Stephen Morrison	(resigned 20 August 2020)
Philip Newborough	
Paul Richings	
Simon Ringer	
Antony Ross	(resigned 16 December 2020)
Clive Sherling	(appointed 10 November 2020)
Brian Trelstad	

There are no other key management personnel 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.

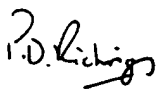
**Auditor**

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; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Deloitte LLP has indicated its willingness to be reappointed for another term and a resolution to reappoint them will be proposed at the July Board Meeting.

Approved by the Board and signed on its behalf by:



Paul Richings  
Director  
14 July 2021



**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 and group transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor's Report to the directors of Bridges Fund Management Limited****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 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 during 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](http://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.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority ('FCA') regulatory capital requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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.

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

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.

**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 during 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**

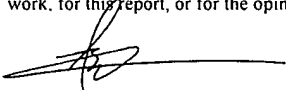
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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  
14 July 2021

**Consolidated Statement of Comprehensive Income & Other Comprehensive Income For the Year ended 31 March 2021**

	Note	Year Ended 31 March 2021	Year Ended 31 March 2020
		£	£
<b>Turnover</b>	<b>2</b>	4,088,163	3,285,513
<b>Administrative expenses</b>			
Staff costs	5	(8,035,017)	(7,572,677)
Other Operating Expenses		(4,838,158)	(3,578,019)
<b>Operating Loss</b>		<b>(8,785,012)</b>	<b>(7,865,183)</b>
 <i>Share of results of associated undertakings</i>	<b>1</b>	11,402,980	11,871,668
Other finance income	3	-	4,090
<b>Profit on ordinary activities before taxation</b>		<b>2,617,968</b>	<b>4,010,575</b>
Tax on profit on ordinary activities	7	(236,836)	(369,729)
<b>Profit on ordinary activities after taxation</b>		<b>2,381,132</b>	<b>3,640,846</b>
 Foreign currency gains/(losses)		41,582	(4,187)
<b>Net profit attributable to equity shareholders of the company</b>		<b>2,422,714</b>	<b>3,636,659</b>

All results derive from continuing operations.

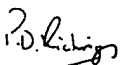
There are no items of Other Comprehensive Income and therefore a separate statement has not been presented .

The notes on pages 17 to 27 form an integral part of the Financial Statements.

**Consolidated Balance Sheet**  
**As at 31 March 2021**

	Note	31 March 2021 £	31 March 2020 £
<b>Fixed assets</b>			
Tangible assets	8	367,111	429,330
Investments	9	720	720
		<b>367,831</b>	<b>430,050</b>
<b>Current assets</b>			
Debtors	10	3,526,143	3,255,093
Cash at bank and in hand		7,658,739	6,538,785
Creditors: amounts falling due within one year	11	(3,270,810)	(3,088,681)
<b>Net current assets</b>		<b>7,914,072</b>	<b>6,705,197</b>
Total assets less current liabilities		8,281,903	7,135,247
Creditors: amounts falling due after one year			
Provisions for liabilities	12	(493,762)	(597,095)
<b>Net assets</b>		<b>7,788,141</b>	<b>6,538,152</b>
<b>Capital and Reserves</b>			
Called-up share capital	13	112,741	112,741
Other reserves	13	1,306,452	1,306,452
Profit and loss account		6,368,948	5,118,959
<b>Shareholders' funds</b>		<b>7,788,141</b>	<b>6,538,152</b>

The financial statements of Bridges Fund Management Limited (registration number: 10401079) were approved by the board of directors and authorised for issue on 14 July 2021. They were signed on its behalf by:



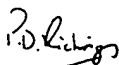
Paul Richings  
 Director

The notes on pages 17 to 27 form an integral part of the Financial Statements.

**Company Balance Sheet**  
**As at 31 March 2021**

	Note	31 March 2021 £	31 March 2020 £
<b>Fixed assets</b>			
Tangible assets	8	359,286	415,827
Investments	9	12	12
		<u>359,298</u>	<u>415,839</u>
<b>Current assets</b>			
Debtors	10	4,643,151	3,509,691
Cash at bank and in hand		6,179,068	5,075,961
Creditors: amounts falling due within one year	11	(2,537,703)	(1,758,073)
<b>Net current assets</b>		<u>8,284,516</u>	<u>6,827,579</u>
Total assets less current liabilities		8,643,814	7,243,418
Creditors: amounts falling due after more than one year			
Provisions for liabilities	12	(493,762)	(537,096)
<b>Net assets</b>		<u>8,150,052</u>	<u>6,706,322</u>
<b>Capital and reserves</b>			
Called-up share capital	13	112,741	112,741
Other reserves		2,184,916	2,184,916
Profit and loss account		5,852,395	4,408,665
<b>Shareholders' funds</b>		<u>8,150,052</u>	<u>6,706,322</u>

The profit for the financial year dealt with in the financial statements of the parent company was £2,903,706 (2020: £3,404,930). 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 14 July 2021. They were signed on its behalf by:



Paul Richings  
 Director

The notes on pages 18 to 27 form an integral part of the Financial Statements.

**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2021**

	Called-up Share Capital £	Other Reserves £	Profit & Loss Account £	Total £
Balance at 1 April 2019	112,741	1,306,452	2,843,966	4,263,159
Movement in other reserves	-	-	135,375	135,375
Dividends	-	-	(1,497,041)	(1,497,041)
Total comprehensive income for the year	-	-	3,636,659	3,636,659
<b>Balance at 31 March 2020</b>	<b>112,741</b>	<b>1,306,452</b>	<b>5,118,959</b>	<b>6,538,152</b>
Opening 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
<b>Balance at 31 March 2021</b>	<b>112,741</b>	<b>1,306,452</b>	<b>6,368,948</b>	<b>7,788,141</b>

**Company Statement of Changes in Equity**  
**For the year ended 31 March 2021**

	Called-up Share Capital £	Other Reserves £	Profit & Loss Account £	Total £
Balance at 1 April 2019	112,741	2,184,916	2,500,776	4,798,433
Dividends	-	-	(1,497,041)	(1,497,041)
Total comprehensive income for the year	-	-	3,404,930	3,404,930
<b>Balance at 31 March 2020</b>	<b>112,741</b>	<b>2,184,916</b>	<b>4,408,665</b>	<b>6,706,322</b>
Opening 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
<b>Balance at 31 March 2021</b>	<b>112,741</b>	<b>2,184,916</b>	<b>5,852,395</b>	<b>8,150,052</b>

The notes on pages 17 to 27 form an integral part of the Financial Statements.



**Consolidated Cash Flow Statement**  
**For the year ended 31 March 2021**

	Note	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Cash flows used in operating activities	14	(8,831,666)	(7,755,097)
Cash flows from investing activities			
Cash inflows from associated undertakings		11,402,980	11,871,668
Purchase of equipment	8	(32,966)	(66,069)
Interest received	3	-	4,090
Net cash flows used in investing activities		11,370,014	11,809,689
Cash flows used in financing activities			
Dividends		(1,459,976)	(1,497,041)
Net cash flows used in financing activities		(1,459,976)	(1,497,041)
Effect of foreign exchange rate changes		41,582	(4,187)
Net increase in cash and cash equivalents		1,119,954	2,553,364
Cash and cash equivalents at beginning of year		6,538,785	3,985,421
Cash and cash equivalents at end of year		7,658,739	6,538,785
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		7,658,739	6,538,785
Cash and cash equivalents		7,658,739	6,538,785

The notes on pages 17 to 27 form an integral part of the Financial Statements.

## Notes to the Financial Statements For the year ended 31 March 2021

### 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 2021, 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. Since the onset of the COVID-19 crisis, the group has been working hard to mitigate the impact on the portfolio and protect value for investors, whilst also making sure that the group's assets are well-positioned for the post-COVID recovery. More detail can be found in the strategic and directors' reports.

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

#### d. Tangible fixed assets

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

Furniture & fittings, equipment – 33.3% straight-line (3 years)  
Leasehold improvements – 6.7% straight-line (15 years)

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

**Notes to the Financial Statements (continued) ;**  
**For the year ended 31 March 2021**

**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 Balance Sheet.

**g. Income from associated undertakings**

Income from associated undertakings relates to the priority profit share due from the subsidiary undertakings, which is recognised on an accruals basis. This is shown net of transaction/monitoring fees 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 Balance Sheets at the rates ruling at the Balance Sheet date. Exchange differences arising on the translation of the opening net assets and results of overseas operations are reported in the Statement of Comprehensive Income.

**i. Turnover**

Turnover, which is stated net of value added tax, is attributable to the receipt of advisory fees, 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. Critical judgements and key sources of estimation**

In application of the Group's accounting policies, which are described in 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 18.

**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**

A further area of judgement is the deferred tax position for the group, which is discussed in note 7 on page 21.

**l. Financial Instruments**

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

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

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

Receivables and payables are measured at amortised cost.

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021**

**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 2021			Year Ended 31 March 2020		
	UK £	USA £	Total £	UK £	USA £	Total £
Monitoring Fees	1,436,956	631,900	2,068,856	947,518	-	947,518
Advisory Fees	1,652,492	-	1,652,492	1,467,052	-	1,467,052
Rental Income	141,580	-	141,580	118,687	-	118,687
Other	67,578	157,657	225,235	410,218	342,038	752,256
	<b>3,298,606</b>	<b>789,557</b>	<b>4,088,163</b>	<b>2,943,475</b>	<b>342,038</b>	<b>3,285,513</b>

**3. Other finance income**

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Interest payable and similar charges	-	(27)
Other finance income	-	4,117
	<b>-</b>	<b>4,090</b>

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

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Depreciation of tangible fixed assets (note 8)	95,185	92,270
	<b>95,185</b>	<b>92,270</b>

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

Fees payable to the company's auditor and its associates for the audit of the group's annual accounts	61,690	46,440
<b>Total audit fees</b>	<b>61,690</b>	<b>46,440</b>
Other assurance services - pursuant to legislation	19,700	13,300
<b>Total audit and non audit fees</b>	<b>81,390</b>	<b>59,740</b>

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 2021

5. Staff numbers and costs

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

	Year Ended 31 March 2021	Year Ended 31 March 2020
No of employees	53	53
<b>Group</b>	<b>£</b>	<b>£</b>
Their aggregate remuneration comprised:		
Wages and salaries	6,850,240	6,473,658
Social security costs	816,751	744,956
Pension fund contributions	315,587	298,298
Other employee benefits	52,439	55,765
	<b>8,035,017</b>	<b>7,572,677</b>
<b>Company</b>		
Wages and salaries	5,437,279	5,177,012
Social security costs	689,731	650,487
Pension fund contributions	224,907	235,640
	<b>6,351,917</b>	<b>6,063,139</b>

6. Directors' remuneration and transactions

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
<b>Directors' remuneration</b>		
Salaries	664,901	773,007
Company contributions to money purchase pension schemes	8,333	10,000
	<b>673,234</b>	<b>783,007</b>
<b>Remuneration of the highest paid director comprising :</b>		
Emoluments	274,033	272,381
	<b>274,033</b>	<b>272,381</b>

7. Tax on profit on ordinary activities

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Group profit on ordinary activities before tax	2,617,968	4,010,575
Tax on group profit on ordinary activities at standard UK corporation tax rate of 19% per cent (2020: 19% per cent)	497,414	762,009
Effects of:		
- Use of losses b/f	-	(1,703,381)
- Income not included in determining taxable profit	(40,031)	(20,191)
- Movement on deferred tax liability not recognised	1,202,863	2,486,542
- Movement on deferred tax asset not recognised	(1,565,719)	(1,296,638)
- Expenses not within the scope of UK taxation	142,309	141,388
Group total tax charge for period	<b>236,836</b>	<b>369,729</b>

The group has tax losses carried forward of £13,513,495 (2020: £19,503,541) 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 £2,567,564 (2020: £3,705,673).

Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021

8. Tangible fixed assets - group

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2020	257,487	154,761	547,804	960,052
Additions	32,966	-	-	32,966
Disposals	(2,467)	(87)	(268)	(2,822)
At 31 March 2021	287,986	154,674	547,536	990,196
Depreciation				
At 1 April 2020	172,349	149,041	209,332	530,722
Provided for the year	50,790	4,281	40,114	95,185
Disposals	(2,467)	(87)	(268)	(2,822)
At 31 March 2021	220,672	153,235	249,178	623,085
Net book value				
At 1 April 2020	85,138	5,720	338,472	429,330
Net book value				
At 31 March 2021	67,314	1,439	298,358	367,111

Tangible fixed assets - company

	Office Equipment £	Furniture & Fittings £	Leasehold Improvements £	Total £
Cost or valuation				
At 1 April 2020	233,242	153,901	542,406	929,549
Additions	32,966	-	-	32,966
At 31 March 2021	266,208	153,901	542,406	962,515
Depreciation				
At 1 April 2020	157,145	148,675	207,902	513,722
Provided for the year	46,001	4,119	39,387	89,507
At 31 March 2021	203,146	152,794	247,289	603,229
Net book value				
At 1 April 2020	76,097	5,226	334,504	415,827
Net book value				
At 31 March 2021	63,062	1,107	295,117	359,286

Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021

9. Fixed asset investments

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
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

	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 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 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 2021

10. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	510,344	518,704	510,344	518,704
Other debtors	626,631	715,182	599,207	507,893
Amounts due from related parties (Note 18)	1,431,958	1,349,136	2,765,873	1,946,770
Prepayments and accrued income	655,752	233,065	644,819	233,064
VAT	301,458	439,006	122,908	303,260
	<b>3,526,143</b>	<b>3,255,093</b>	<b>4,643,151</b>	<b>3,509,691</b>

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		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	-	151	-	151
Amounts payable to related parties (Note 18)	1,323,604	743,269	1,284,304	743,269
Other tax and social security	291,509	269,639	253,252	269,639
Accruals and deferred income	1,367,947	1,381,382	945,066	717,316
Other creditors	287,750	694,240	55,081	27,698
	<b>3,270,810</b>	<b>3,088,681</b>	<b>2,537,703</b>	<b>1,758,073</b>

These amounts are unsecured, bear no interest and are payable on demand.

12. Creditors: amounts falling due after one year

	Group & Company		Group	Group & Company	Total
Provisions	Rent Reserve	Dilapidations	Other		
	£	£	£		£
At 1 April 2020	404,445	132,650	60,000		597,095
Movement during the year	(43,333)	-	(60,000)		(103,333)
At 31 March 2021	<b>361,112</b>	<b>132,650</b>	<b>-</b>		<b>493,762</b>

At 31 March 2021 the company had a rental provision of £361,112 (2020: £404,445) 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 2021 (2020: £132,650). In accordance with FRS102 a corresponding asset is shown on the Balance Sheet within Fixed Assets.

At 31 March 2021 the group had no deferred income (2020: £60k). In the prior year this related to a contract for the IMP for which grant income is being recognised over a three year period to 31 March 2021.



Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021

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

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
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
	<u>112,741</u>	<u>112,741</u>

The group and company's other reserves comprise the following: the Profit and Loss Account represents cumulative profits or losses net of dividends paid and other adjustments.

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 2021 £	Year Ended 31 March 2020 £
Operating loss	(8,785,012)	(7,865,183)
Depreciation and amortisation	92,363	84,046
Monitoring fees accrued	-	(217,896)
Operating cash flow before movement in working capital	<u>(8,692,649)</u>	<u>(7,999,033)</u>
Increase in debtors	(217,819)	(755,542)
Increase in creditors	78,802	999,478
Cash flows used in operating activities per cash flow statement	<u>(8,831,666)</u>	<u>(7,755,097)</u>

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021**

**15. Financial commitments**

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

	Land & Buildings			Other	
	2021	2020	2021		2020
	£	£	£		£
Group:					
- within one year	540,000	668,876	7,819		12,428
- between one and five years	2,160,000	2,521,044	-		20,248
- after five years	1,800,000	2,701,044	-		-
	<b>4,500,000</b>	<b>5,890,964</b>	<b>7,819</b>		<b>32,676</b>
Company:					
- within one year	540,000	540,000	7,819		12,428
- between one and five years	2,160,000	2,160,000	-		7,819
- after five years	1,800,000	2,340,000	-		-
	<b>4,500,000</b>	<b>5,040,000</b>	<b>7,819</b>		<b>20,247</b>

**16. Employee benefits**

The company operates defined contribution pension schemes for its employees. The pension costs during the year amounted to £315,587 (2020: £298,298) for the group and £224,906 (2020: £235,641) 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 £43,315 at 31 March 2021 (2020: £38,260).

**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**

Loans totalling £545k were outstanding to directors at the 31 March 2021 year end (2020: £444k). 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 £673,234 (2020: £783,007) as disclosed in note 6.

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021**

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

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

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

	Year Ended 31 March 2021 £	Period Ended 31 March 2020 £
Bridges Ventures Fund III LP	2,270,149	2,184,840
Bridges Sustainable Growth Fund IV LP	1,819,578	1,819,577
Bridges Social Entrepreneurs Fund LP *	32,165	36,893
Bridges Social Impact Bond Fund LP	239,070	337,450
Bridges Social Interim LP	(4,454)	17,867
Bridges Evergreen Capital LP	956,608	485,235
Bridges Social Outcomes Fund II LLP	769,978	821,681
Bridges Property Alternatives Fund III LP	1,884,574	2,960,536
Bridges Property Alternatives Fund IV LP	3,160,500	3,160,500
Bridges Property Alternatives Fund V LP	744,445	-
Bridges US Sustainable Growth Fund LP	893,977	1,215,253
	<b>12,766,590</b>	<b>13,039,832</b>

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

	Year Ended 31 March 2021 £	Period Ended 31 March 2020 £
Bridges Evergreen Capital LP	342,756	72,585
Bridges Healthcare LLP	127,787	-
Bridges Property Alternatives Fund III LP	-	447,047
Bridges Property Alternatives Fund IV LP	-	8,990
Bridges Property Alternatives Fund V LP	217,696	31,015
Bridges Community Ventures (General Partner) Ltd	405	405
Bridges Community Ventures (Scotland) Ltd	1,384	1,384
Bridges CDV Fund II (General Partner) Ltd	3,140	3,140
Bridges CDV Fund II (Scotland) Ltd	658	658
Bridges Ventures III (General Partner) Ltd	73	73
Bridges SP Fund (General Partner) Ltd	2	2
Bridges SP Fund (Scotland) Ltd	51	51
Bridges Property Alternatives Fund III (General Partner) LLP	300	300
Bridges Social Entrepreneurs Fund LP	910	-
Bridges Social Interim LP	19,259	23,007
Bridges Outcomes Limited	35,858	-
Bridges Ventures Holdings Ltd	1,973,079	1,323,197
Bridges Ventures Inc.	42,516	34,916
	<b>2,765,874</b>	<b>1,946,770</b>

**Notes to the Financial Statements (continued) ;  
For the year ended 31 March 2021**

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

Amounts owing as at 31 March 2021 to the funds and related group parties of the company were:

	<b>Year Ended</b>	<b>Period Ended</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bridges Community Development Venture Fund II LP	12,328	9,327
Bridges Ventures Fund III LP	158,703	134,274
Bridges Sustainable Growth Fund IV LP	638,633	115,283
Bridges Social Entrepreneurs Fund LP	7,332	8,997
Bridges Social Impact Bond Fund LP	36,998	70,167
Bridges Social Interim LP	8,488	8,488
Bridges Evergreen Capital LP	74,231	60,348
Bridges Social Outcomes Fund II LP	315,961	336,385
Bridges Property Alternatives Fund III	30,057	-
Bridges Property Alternatives Fund IV	1,573	-
	<b>1,284,304</b>	<b>743,269</b>

**19. Ultimate controlling parties**

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