Investment as it should be

Annual Report 2020

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BGF Group Plc
Company number 07514847

BGF

A different way forward in equity investing

Our purpose

BGF is a different kind of investor, dedicated to supporting growth and value creation in entrepreneurial companies nationwide.

We exist to inspire business leaders, innovators and value creators to build strong, sustainable businesses.

Our approach

We see each investment as a partnership. Working closely with our portfolio, we bring open minds and a shared ambition to support progress, build great places to work and positively impact communities, the environment and economies.

Our culture

People and partnerships are the bedrock of our business. We are passionate about the companies and businesses we back and proud of the way our people work together.

We believe in creating a fulfilling workplace, fresh in outlook and creativity. Our culture is open, supportive and inclusive, encouraging teamwork across our 16 offices and internationally.

Contents

BGF is the UK and Ireland's most active and dynamic investor of equity capital in growing companies, backing entrepreneurs and innovators. Our model is underpinned by a unique combination of scale, long-term capital, minority investments, breadth of coverage and a streamlined investment process to create a real impact.

01 Introduction

Highlights 03
Our model in action 04
At a glance 05

06 Strategic report

Executive Chairman's statement 06
View from the Chief Investment Officer 08
Our model 10
Our portfolio 11
Market overview 15
Our portfolio continued 16
Responsible business 21
Engaging with our stakeholders 28
Business review 32
Risk review 34

36 Governance

Board of Directors 36
Our Shareholder Directors 40
Corporate Governance 41
Directors' Report 48
Statement of Directors' responsibilities 49

50 Financial statements

Independent auditor's report 50
Consolidated profit and loss account 53
Consolidated and Company balance sheet 54
Consolidated statement of changes in equity 55
Company statement of changes in equity 56
Consolidated cash flow statement 57
Notes to the financial statements 58

82 Additional information

Company information 82

Highlights

An industrious year

Despite the Covid-19 pandemic, BGF averaged more than one new investment a week in 2020, bringing total investment higher than the previous year. We invested a total of £384m during the year, of which £262m went into new companies across a range of sectors, including life sciences, e-commerce and IT services. We provided £122m of follow-on funding to existing portfolio businesses. Twenty-eight exits generated returns of £228m. We saw significant resilience across the portfolio with management teams acting swiftly and decisively during the pandemic.

> **We have learned a lot from the pandemic – about resilience, agility and the power of working together. I'm confident that in the years ahead BGF and the growth economy we exist to support will not only survive but thrive.**
>
> **Stephen Welton**
> Executive Chairman

£384m
Invested in 2020
(£262m of new investment and £122m of follow-on funding)

£228m
Returned upon exit

61
Companies backed

£2.285bn
Current portfolio net asset value

28
Exits

Our model in action

Investments...

CEO:
Sarah Fatchett

Business:
Transport management technology

Location:
Wakefield

Investment amount:
£3m

Invested:
2020

365 Response

After working as operations director for Yorkshire Ambulance Service, Sarah Fatchett recognised the need for cutting-edge technology to help book and deliver essential transport services. She founded 365 Response to provide a specialist transport management service for councils and the NHS to ensure vital patient and home-to-school transport could be provided quickly and efficiently.

BGF invested £3m in the Wakefield-based business to fund the development of the software platform and expand its commercial and operational teams. Like many during the year, the investment was completed almost entirely virtually while the country was in lockdown, proof of the flexibility of BGF's investment process.

By improving mobility and wellbeing, and increasing access to healthcare and education, 365 Response has a strong positive impact on society.

Founder:
William Chase

Company description:
Luxury spirits

Location:
Herefordshire

Invested:
2017

Exited:
2020

Chase Distillery

Chase Distillery produces luxury spirits including flavoured gin and its signature potato vodka from the family's farm in Herefordshire. The company applies the same rigour and care for provenance as the makers of the world's best wines or whiskies.

Following our investment in 2017 and with a seat on Chase's board, we supported the management team's international expansion plans, which saw growth across the US, Australia and the UAE. During the course of our investment, revenues at Chase doubled.

In 2020, BGF exited its investment in the business when drinks giant Diageo acquired the company, achieving a successful exit for all shareholders. The transaction achieved regulatory approval in February 2021.

...and exits

At a glance

Supporting business since 2011

Born out of the global financial crisis, BGF was founded in 2011 by five shareholders: Barclays, HSBC, Lloyds Banking Group, NatWest and Standard Chartered, which collectively provided £2.5bn to invest in small and mid-sized businesses. With a permanent balance sheet we are now recycling proceeds from more than 100 successful exits into new investments, creating an evergreen source of equity capital for the growth economy. BGF in Ireland is backed by the Ireland Strategic Investment Fund, AIB, Bank of Ireland and Ulster Bank.

16
Offices in the UK and Ireland

£2.52bn
Total investment since 2011

74%
Of capital invested outside London and the South East

399
Companies backed

102
Exits

£832m
Proceeds to date

Executive Chairman's statement

We faced a test and proved our mettle

BGF's excellent performance during the pandemic demonstrates the strength of our diversified model and the resilience of the entrepreneurs we exist to support.

Executive Chairman:
Stephen Welton

Founded BGF:
2011

BGF was set up in 2011, in the wake of the global financial crisis. Banks were then being mandated to perform stress tests to ensure they could survive another financial implosion. Today, we have just lived through an extraordinary year in which the Covid-19 pandemic has turned the economy upside down. This was the ultimate stress test.

That BGF has fared so well shows we have a robust balance sheet, we manage risk well, we're agile, and we're able to keep building the business in the face of huge challenges. In spite of the pandemic, BGF made an average of one investment a week in 2020. We deployed £384m of capital, a substantial increase compared with the £347m we invested in 2019. We've now invested in about 400 businesses. No other equity investor in the land can match that rate of activity. We reported record profits of £346m, showing the power of our diversified investment model.

> **"We've gone through what we hope will be a once-in-a-generation event, and learned that with determination, ingenuity and the right allocation of capital, we can achieve amazing things."**
>
> **Stephen Welton**
> **Executive Chairman**

Executive Chairman's statement continued

More still to do
Despite the disruptions of Covid-19, 28 companies in the BGF portfolio achieved exits in 2020, typically either to trade buyers or private equity firms. These exits generated strong returns, proof of our investment teams' ability to add value and help investee businesses achieve their potential. In 2021, we hope to surpass the investments made in 2020 by backing even more great companies.

We won't be slowing down any time soon. A report I wrote with the historian Sir Anthony Seldon detailed PwC research which determined there are more than 21,400 small and mid-sized companies in the UK alone that are potential targets for the kind of investment we provide*. These are businesses that have outgrown the kind of early-stage funding available for start-ups, but have not yet achieved the scale of large, listed businesses. They also now include the thousands of companies who may be over-indebted as a result of the pandemic. We strongly believe that equity funding must be part of the solution to meeting these companies' needs.

And despite the difficulties we have faced during the pandemic, I am more optimistic than ever. We've gone through what we hope will be a once-in-a-generation event and learned that with the will, the ingenuity and the right allocation of capital, we can achieve amazing things, such as a roster of Covid-19 vaccines created almost from scratch within 12 months. That experience has generated significant activity in the healthcare sector and in life sciences, in which we are an enthusiastic investor and where the UK is a world leader.

* From survive to thrive: funding the growth economy to kickstart an investment-led recovery', Sir Anthony Seldon and Stephen Welton, 2020

We are now in the right place to turn that energy and enthusiasm into accelerating efforts to combat climate change. BGF aims to boost our investments in the sector we call 'green growth', everything from fuel cells to energy-efficient buildings. We have already invested over £200 million and backed more than 20 companies including Aceleron (see case study, page 24). Climate change is not a problem for 2050, it's a problem for now. There will be a huge amount of investment and innovation in this area. BGF will make a meaningful contribution.

A walk on the wild side
Yorkshire Wildlife Park, in Doncaster, received £15m from BGF in 2020

Responsible business
The pandemic has also rightly focused attention on the social contribution of business. This is a trend we applaud because we were set up with a clear mission: to support local economies from a network of 16 regional offices and counting. Levelling-up is what BGF was born to do. Some 74% of our capital has been invested in businesses based outside London and the South East.

The same energy supports our efforts to ensure good governance. Our Talent Network has now introduced more than 300 board-level executives to company boards, bringing with them a wealth of experience and expertise to help growing companies achieve their potential. In future, we will continue to make business funding available for everyone who needs it. That means supporting as many female-led businesses as we can, while also reaching out to businessmen and women from backgrounds that are historically underrepresented in entrepreneurship in the UK and Ireland, including with our own exciting internship programme.

Looking to a global future
There will be challenges. The impacts of Brexit vary by sector and it will take years not months to find a new equilibrium. The UK must think globally, by opening our borders to talent and trade, building international relationships and trade corridors, and sharing knowledge. In this context, I am proud that BGF has played a key role in helping to establish similar investment models in Canada and Australia, as well as exploring other potential opportunities.

We have learned a lot from the pandemic – about resilience, agility and the power of acting together. We want to encourage more like-minded investors to actively support scaling businesses. Although there are still challenges to overcome, I'm confident that BGF and the growth economy we exist to support will not only survive but thrive.

Finally, I should like to pay tribute and special thanks to our first chairman, Sir Nigel Rudd, who retired this year. He has been a real inspiration to us all, a great mentor to me, and an invaluable supporter of BGF's mission and our portfolio.

Stephen Welton
Executive Chairman

Responsible investing

Committing to positive investment principles

In 2020, BGF became a signatory to the Principles of Responsible Investment (PRI), an initiative backed by the United Nations that encourages investors to incorporate environmental, social and governance (ESG) factors into their decision-making. Initiated by Kofi Annan in 2006, the PRI boasts more than 3,000 signatories including some of the world's largest investment firms. Signatories commit to being 'active owners' by meshing ESG principles with their ownership policies, while pushing for better disclosure of ESG matters. BGF was proud to back the PRI's mission, described as follows: "We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole."

See more in the Responsible Business section on **page 21**

View from the Chief Investment Officer

Operating in all weathers

Flexibility and a long-term approach helped us continue to complete deals during lockdown, when others in the market were postponing transactions. The start of 2021 suggests dealflow will be even stronger in the year ahead.

Chief Investment Officer:
Andy Gregory

When we were putting together last year's annual report, few of us suspected that Covid-19 would have such a huge, long-lasting impact on our lives. As Stephen writes (above), BGF is proud that our model stood up under pressure, allowing us to continue investing at an average pace of one new investment a week, despite the upheaval of lockdowns and other challenges. I'm going to talk about how we managed to sustain that high frequency of deal-making in the face of all the challenges thrown up by the pandemic.

Firstly, I should say that the high frequency of deals hasn't happened by accident. It's testament to the hard work of our investors, our excellent relationships with advisers and shareholder banks, and the wealth of expertise and connections contained in our Talent Network, to name but three factors.

It's a testament, too, to our model. Because we invest patient capital and are comfortable with taking a long-term approach to investing, we were able to see past the short-term challenges that were affecting some of the sectors most impacted by Covid-19. A good example was our investment in Decora, a Northern Irish business that manufactures blinds and shutters. Our £10m investment, announced in June 2020, was finalised at a time when Decora had effectively stopped its operations in response to the virus, in line with many other manufacturing businesses. Some investors might have become apprehensive at that point and decided to postpone the deal until operations could resume post lockdown, but we were happy to proceed because we were able to take a long-term view – and we had faith in the management team and the high quality of the business. Since our investment, Decora has pursued a series of successful acquisitions, accelerating the performance of the business.

> **"Because we take a long-term approach to investing, we were able to see past the short-term challenges affecting some of the sectors most impacted by Covid-19."**
>
> **Andy Gregory**
> Chief Investment Officer

Another aspect of our investment approach was significant this year – the fact we are a minority, non-controlling investor. Many business owners who were seeking business funding in 2020 were understandably concerned with the uncertainty in the market. In that environment, the prospect of selling a majority share in their business was daunting. Businesses typically want stability to make those kinds of big decisions. As a minority investor, our offering is more flexible, and we can support our investments with considerable follow-on funding where appropriate. An excellent example is recipe kit company Gousto (see case study, page 14). BGF has invested in the business in eight separate funding rounds, proof that when we believe in a business, we can provide repeated support.

View from the Chief Investment Officer continued

But it's not only money that investee businesses get from us. Across 180 staff and a Talent Network that includes 6,000 board-level non-executives, we have built up an incredible level of sector expertise that is invaluable to growing businesses. Life sciences, IT services, e-commerce and waste management are just a few of the sectors in which BGF can offer market-leading insights. Entrepreneurs want to partner with us not only for the financial support we offer, but for the knowledge we are able to share.

All these factors are important, because it is a competitive market for deal-making at the moment. There is a great deal of capital available in the private equity space and the businesses we want to invest in typically have a number of different funding options available to them. I'm happy that our unique investment proposition creates a truly different option for company owners which has allowed us to close a string of impressive deals this year, even in competitive situations.

The availability of private equity capital has also meant that, despite the pandemic, 2020 was a good year for exits. In line with our patient capital model, we do not force investee businesses to exit according to a particular timeline imposed by us. However, we are keen to support them in exiting when they are ready. Two examples are particularly notable. We partially exited our investment in M Squared, a laser and photonics company, in 2020 when the business was sold to investors including the Scottish National Investment Bank. We first invested in M Squared eight years ago and still retain a meaningful stake in the business. In contrast, we exited our investment in Miss Group, a web hosting company, after a hold period of just a year. We provided funding to the company to pursue growth by acquisition, which it achieved so quickly it was ready to be acquired itself in 2020. I'm happy that Mattias Kaneteg, founder of Miss Group, is still working with us. He is executive chairman of lead generation business ROI Media, in which we have invested £3m so far.

These examples show that in the BGF model, exits can happen at the right time for the business and the owner, and not according to an arbitrary deadline. They also demonstrate that there is no conflict between patient capital and exits.

As I write, we are approaching the end of the first quarter of 2021 and already we have seen a rise in deal-making, leading us to predict a step-up in overall activity this year. Whether that is to help an entrepreneur de-risk in the face of uncertainty, or accelerate investment both organically and by way of acquisition, there is increasing momentum. The investment pipeline after the Budget in March is strong, so I see no sign of activity slowing down any time soon.

All in all, BGF's investment model has proved remarkably effective during the pandemic. I'm hopeful that our key metrics will only increase in the year ahead. BGF is very much open for business.

—

Andy Gregory
Chief Investment Officer

Window of opportunity
Decora, which makes blinds and shutters, joined the portfolio in 2020

Covid-19

How we kept investing despite the headwinds

Businesses dislike uncertainty. If they cannot easily forecast cashflow and operational performance, they tend to freeze new investment, essentially putting their growth plans on hold. During the pandemic, there was evidence of this kind of retrenching behaviour. In the third quarter of 2020, deal numbers in the equity market declined to their lowest level since the final quarter of 2016, according to the UK Equity Investment Market Update, Q3 2020, by business intelligence service Beauhurst. While some cutbacks were inevitable, especially in badly hit sectors such as hospitality, BGF worked hard to keep investing despite the short-term headwinds, believing that good businesses should not be starved of funding when they need it most.

See more in the Business Review on **page 32**

Our model

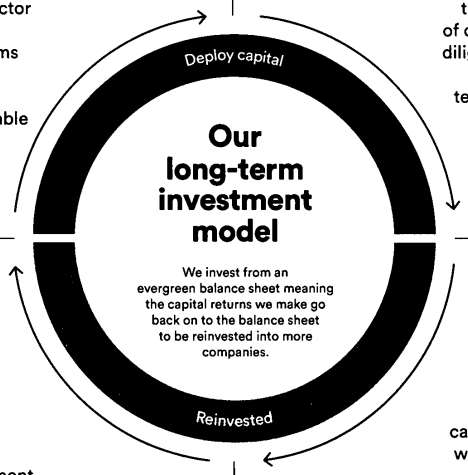
How we invest

Engaging with business

We have created a unique dataset to help identify, track and engage with growth companies in every sector and region of the UK. This enables our investment and origination teams to manage relationships in a highly targeted way with a level of data analytics that is not currently available anywhere else in the market.

Streamlined process

We are constantly innovating to rethink and re-engineer the traditional investment process. Part of our approach is to conduct our due diligence and legal processes through decentralised regional investment teams. This allows us to significantly reduce the time taken to complete an investment.



Exits

We are a patient investor with no hard exit deadlines for companies to return the capital we invest. We work collaboratively with management teams and advisers to identify the most appropriate time and route to exit such as management buyouts and trade sales.

Value creation

Businesses backed by BGF use capital to accelerate their growth. As well as financial support, we provide access to our Talent Network, our Expertise On-Demand service for portfolio companies, and the Portfolio Exchange, which facilitates networking and sharing of ideas.

Our offer

- **A minority investor**
  Our equity share is typically between 10-40% with BGF acting as a junior partner alongside management and shareholders.
- **Flexible funding**
  We provide a mix of equity and loan notes into businesses or out to existing shareholders.
- **Access to talent**
  Through our Talent Network, we offer board-level support and interim expertise from experienced business leaders
- **Long-term partner**
  We initially invest between £1m and £15m with follow-on funding to support new growth opportunities.
- **Investing at all stages**
  We invest in early-stage ventures, scale-up businesses and quoted companies.
- **Local knowledge**
  From our 16 offices across the UK and Ireland, our 180 staff provide specialist knowledge and support in all regions.

Our portfolio

Funding growth in multiple sectors

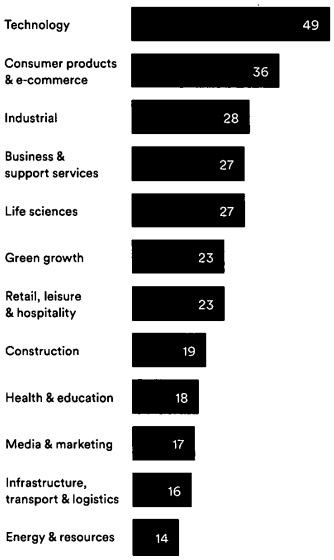
BGF invests in a wide range of companies including earlier-stage businesses, growth-stage businesses and quoted companies across multiple sectors and every region of the UK and Irish economies. The largest sector exposure in the portfolio is technology followed by consumer products and e-commerce. Turnover of a BGF portfolio business is typically between £5-100m.

£6.4bn
Revenues generated by portfolio companies in 2020

48,000
People employed by BGF portfolio companies (December 2020)*

* Excludes quoted companies

Our current portfolio in numbers
Number of companies by sector



Shan Hanif, founder of brand building agency Genflow, which received £8m from BGF

Our portfolio continued

Decisive actions. Strong valuations.

Covid-19 created unprecedented challenges for small and mid-sized businesses. BGF took numerous measures to support our portfolio during this difficult period.

The team behind migration software company Juriba, backed by BGF in 2020, have seen robust demand during the pandemic

BGF's portfolio has become more diverse and scalable over time, meaning that our investment risk is not concentrated on any one sector.

The Covid-19 pandemic created considerable uncertainty over medium to long-term impacts on the economy and business environment. This uncertainty also applies to BGF's portfolio in the medium to long term. However, the short-term impact has been less significant than might initially have been anticipated and in broad terms the portfolio has withstood the shockwaves well. This is in part due to our diversified investment strategy, but also, where necessary, the swift action taken by management teams of investee companies.

Throughout the pandemic, BGF has stayed close to investee companies to ensure a full understanding of the challenges faced. Early in the pandemic, we set up a targeted plan to bring our coverage model and internal expertise to the portfolio.

In-house experts
BGF reallocated investment teams to lead cross-portfolio initiatives and build in-house understanding of state aid and intervention, to then deliver it swiftly to investee companies.

Focus and support
The executive committee empowered investment teams to understand and prioritise activities between the portfolio and new business to protect positions while continuing to deploy capital.

Consulting experience
Using the Talent Network, BGF contracted four finance directors with specific turnaround expertise to provide ad hoc support to the portfolio and to help protect value.

At the start of the Covid-19 pandemic, BGF estimated that 75 investee companies could need £131m of immediate funding support from BGF. However, the portfolio proved resilient and BGF has provided only £24.7m across 23 businesses so far. We remain prudent, estimating a further £35.4m may be needed within the next six months – still well under initial estimates.

Brexit
BGF also conducted a portfolio management exercise to understand the long-term impacts of Brexit. The nature of the UK's future relationship with the European Union is still developing, however we currently foresee only a minor risk to expected investment returns as investee companies adapt to new trading regulations and market access.

Patient capital
From an economic cycle perspective, we believe now is an appropriate time to make long-term investments. A recent report by EY suggested that private equity returns are higher in the years following a recessionary period than at other times*. BGF's patient capital approach means it does not suffer the same constraints as conventional private equity, such as a 3-5 year deal cycle and need to return capital.

As discussed in the business review (page 32), BGF's formal portfolio-wide valuation showed positive movement across all stages – earlier-stage, growth and quoted. E-commerce, technology, life sciences, health and education businesses were standout performers, with continued positive growth across the portfolio. We also saw a rise in positive exit discussions across investee businesses.

* EY report 'Why private equity can endure the next economic downturn' Feb 2020

Our non-exec network passes a milestone

The BGF Talent Network, one of the largest pools of board-level non-executives in the UK and Ireland, surpassed 6,000 members in 2020.

6,000
board-level non-executives are in our network (60% of them are based outside London)

300
chairs and other non-executives have been appointed to the boards of BGF portfolio companies

> **The team develop relationships with experienced chairs and non-executive directors, introducing them to companies when we know it's the right fit.**

Left
Angela Luger joined BGF portfolio business The Paint Shed, a retailer of paints and accessories in Scotland, as non-executive chair in 2020

As well as providing growth capital, BGF supplies something just as important: talent. That talent may come in the form of a non-executive chair or other non-executive board member. More than 300 portfolio businesses have appointed board members after an introduction by our Talent Network. The benefits of a good non-executive chair or board member are legion: they can supply knowledge and experience; they can introduce the business to clients and partners; they can provide an objective perspective and honest feedback; they contribute to a greater professionalisation of the business and improve governance.

The seven-strong Talent Network team at BGF takes a patient approach to helping companies find talent. They develop relationships with experienced chairs and non-executive directors, introducing them to companies when we know it's the right fit. This focus on quality matchmaking means the team isn't afraid to challenge assumptions around what kind of person will work best in a role, taking a more creative approach when appropriate.

Expertise On-Demand
The Talent Network also offers access to expert guidance on a short-term or consultancy basis. Our Expertise On-Demand service connects portfolio businesses with experts in our network, including talented individuals and boutique consultancies, who can help solve specific problems or step in to offer their assistance on an interim basis. Our experts cover a range of specialisms, including finance, digital marketing, cashflow management, IT and more. Expertise On-Demand is offered to portfolio businesses to help them maximise their growth.

Case study

Box clever

Meal kit delivery service Gousto allows customers to order all the ingredients they need to cook delicious, healthy meals at home, with no need to scour recipe books, no waste and an ever-evolving repertoire of dishes to choose from. Founded in 2012, it has received a total of £26m in funding from BGF over eight funding rounds.

Gousto had already experienced rapid growth, but as the pandemic hit, its products became more popular than ever. The business responded with plans to triple its capacity by 2022 and create thousands more jobs by setting up new fulfilment centres in Thurrock and Warrington to add to its two existing facilities in Lincolnshire.

Buoyed by its strong growth, Gousto achieved 'unicorn' status in 2020 when it completed a funding round at a valuation of more than $1bn.

CEO:
Timo Boldt
(right, with fitness coach Joe Wicks, who is an investor in the business)

Business:
Meal kit retailer

Location:
London

Investment amount:
£26m across eight funding rounds

Invested:
2015-2020

Gousto

Market overview

The most active investor in growth businesses

Within the UK and Irish growth economies, BGF is by far the most active investor. We believe there is the potential to do much more, with more than 21,400 exciting and fast-growing small and mid-sized companies in the UK, and more than 3,200 in Ireland, qualifying as a growth economy company.

Our credentials

The most active investor in scale-up businesses, according to the 2020 ScaleUp Index published by the ScaleUp Institute and Beauhurst

The UK's most active equity investor in female-led businesses according to the ScaleUp Institute and Beauhurst

See more in 'supporting female business leaders' on **page 27**

Ben Farren, founder of menswear brand Spoke, which received funding from BGF in 2019

BGF exists to support small and mid-sized companies in the 'growth economy'. This is a market segment we have helped to define, alongside PwC and the historian Sir Anthony Seldon, as consisting of fast-growing companies with revenues of between £2.5-100m (or €3-120m in Ireland). According to exclusive research carried out in partnership with PwC, as of 2018 there were more than 21,400 growth economy companies in the UK and more than 3,200 in Ireland. Revenues of UK growth economy companies were £434bn and €71bn in Ireland.

In tandem with the ScaleUp Institute, Innovate Finance and Deloitte, we have estimated there is a £15bn funding gap for growth economy companies in the UK.

21,400

Growth economy companies in the UK (and 3,200 in Ireland)

4%

annualised revenue growth 2013-18 of UK growth economy companies, compared with GDP growth of 2% in the period

(annualised revenue growth of Irish growth economy companies, 2014-18, was 16%)

Our portfolio continued

Strength in numbers

Since 2011, we're proud to have backed 399 businesses across multiple sectors and every region of the UK and Irish economies. We believe this gives us local knowledge and expertise that is second to none. Businesses choose BGF because we help them grow at their own pace, share their passion for success and provide a network of support when they need it.

£2.52bn
Total investment since 2011

£757m
Follow-on funding since 2011

Portfolio as at 31 December 2020

Business & Support Services

- Action24
- BHR Group
- Cennox
- Clearway
- Click Travel
- Elements Talent Solutions
- Entier
- Equilaw
- Global App Testing
- Hobs Group
- Just Digital
- Knights Group Holdings Plc
- Mind Gym Plc
- Northern Escalator Installations
- NSS Group
- Operam
- Pennant International
- Plantforce
- Pureprint Group
- Reflex Vehicle Hire
- Rethink Group
- Setfords Solicitors
- TCC Group
- The Chemistry Group
- YM Group

£217m
Invested in the sector since 2011

Construction

- Anstey Horne
- Avingtrans
- Braidwater
- Burrington Commercial
- Campion Homes
- Fireangel Safety Tech Group Plc
- Flowline
- Horbury Group
- Molson Group
- Nexus Infrastructure Plc
- Ocee International
- SDL Group
- Springfield Properties Plc
- Wales Environmental
- Winterbrook
- Wise Living Developments
- Woodall Homes

£187m
Invested in the sector since 2011

Consumer Products & E-commerce

- AFG Media
- Anpario Plc
- Brand Architekts Group Plc
- Buy It Direct
- BVG Group
- Chase Distillery
- Christopher Ward
- CurrentBody
- DB Food Group
- Decora Blind Systems
- Emma Bridgewater
- Franchise Brands Plc
- Gousto
- Joe & Seph's
- Moteefe
- Off Piste Wines
- Purity Brewing
- Reiver
- Renegade Spirits Grenada
- Renegade Spirits Ireland
- RMS International
- ROLI
- Roxor
- Ruroc
- Sanderson Design Group plc
- SLG
- Sophia Webster
- Spoke
- St Pierre Groupe
- ToucanBox
- Trouva
- Trunki
- Uform International
- UK Flooring Direct
- Visualisation One

£395m
Invested in the sector since 2011

Our portfolio continued

CEO:
Mattias Kaneteg

Company description:
Web hosting services

Location:
Manchester

Investment amount:
£19m

Invested:
2018 and 2019

Case study

Scaling up at speed

Swedish serial entrepreneur Mattias Kaneteg founded Miss Group to provide web hosting services to small and mid-sized businesses.

From the start, he wanted the business to expand through acquisition, not only through organic growth. Within four years of launching, Miss Group had acquired two businesses, one in the UK and one in the US.

In 2018, BGF became an investor to help scale up its capacity and provide finance for more acquisitions at home and abroad. With BGF as a minority partner, Miss Group acquired seven more businesses, boosting its revenues from £8m to £25m.

In 2020, BGF exited its investment in the business when private equity firm Perwyn acquired Miss Group. "When we initially did the deal with BGF we were looking at three years together," says Mattias, "but the acquisition process was so successful, we hit our targets in one year."

Miss Group

Our portfolio continued

Energy & Resources

- Aubin
- BB7 Group
- Environmental Essentials
- Europa Oil & Gas Plc
- Frontrow
- Getech Group Plc
- M-Flow
- Plexus Holdings Plc
- ROVOP
- RSK Group
- SPEX
- Stats Group
- Task Geoscience
- Well-Centric

£112m
Invested in the sector since 2011

Green Growth

- Aceleron
- Accsys Technologies
- Apex Housing Group
- APS Group
- Blancco Technology Group Plc
- Bramble Energy
- Cornwall Insight
- Ecovision
- Eden Research
- Fleetondemand
- Hydrock
- Inspired Energy Plc
- J&B Recycling
- Johnson's Aggregates & Recycling
- Keenan Recycling
- Lightfoot
- Monodraught
- Oxbotica
- PPS Equipment
- RED Industries
- RiverRidge
- Tekmar Group Plc
- Total Recycling Services

£191m
Invested in the sector since 2011

Health & Education

- A Wilderness Way
- Bayfields Opticians
- Caresourcer
- CHS Healthcare
- CSN Care Group
- Doctor Care Anywhere
- Dolphin Homes
- Evo Dental Centre
- Firefly Learning
- Healthshare
- Kids Planet
- Medigold Health Consultancy
- Orbital Education
- Parklands
- Pharmacy2U
- Psyomics
- Springfield Healthcare Group

£202m
Invested in the sector since 2011

Industrial

- 8Power
- Amazon Filters
- BF1
- Billington Holdings Plc
- CML Microsystems Plc
- Croom Precision Tooling
- EBS
- Flowtech Fluidpower Plc
- IFA
- Joloda International
- Lumenisity
- M Squared
- Macfarlane Group Plc
- Magma Global
- Moulded Foams
- Nonwovenn
- Paintbox
- Prodrive Composites
- Scientific Digital Imaging Plc
- Sertec
- Sigmaroc Plc
- Solid State Plc
- VTL
- Walker Precision Engineering
- Window Supply Company

£167m
Invested in the sector since 2011

Infrastructure, Transport & Logistics

- AdEPT Telecom plc
- Agile Spray Response
- Bigblu Broadband Plc
- Broadband Satellite Services
- Calnex Solutions Plc
- Knaresborough Investments
- Maintel Holdings Plc
- Orbex
- Open Cosmos
- Rebound Returns
- RVL Group
- Team Accessories
- Virtualt
- Whistl Group

£139m
Invested in the sector since 2011

Life Sciences

- Arcinova
- Biocity
- Cambridge Respiratory Innovations
- Caristo
- Closed Loop Medicine
- Definigen
- Diurnal Group Plc
- Ergomed Plc
- Fluidic Analytics
- GaitQ
- Genedrive Plc
- Inspiration Healthcare Group Plc
- Instem Plc
- Ixico PLC
- Kinomica
- Medica Group Plc
- Medicina
- MIP Diagnostics
- MOA Technology
- OrganOx
- Phico Therapeutics
- Predictimmune
- Science Group Plc
- Surgical Innovations Group
- Venture Life Group
- Yourgene Health Plc

£93m
Invested in the sector since 2011

Our portfolio continued

Case study

The power of play

When Clare Roberts, founder of nursery group Kids Planet, had her first child, she spotted a gap in the market. "When I was looking for childcare, I noticed all the nurseries opened at 8am and closed at 6pm. I was going to work early and coming home late every evening. I didn't know how I was going to make it work."

Clare and her father launched Kids Planet in 2008 to provide flexible childcare for working parents. They began to acquire sites across the North West of England, either converting existing buildings into nurseries or building new ones from scratch.

BGF has been an investor in the business since 2016, providing £26m to date. Our support was essential to finance the acquisition of Kids Allowed, another nursery provider in the North West, which increased the number of Kids Planet nurseries to 52, making it the third largest nursery group in the UK.

CEO:
Clare Roberts

Company description:
Children's nurseries

Location:
North West & Midlands

Investment amount:
£26m

Invested:
July 2016 to
January 2020

Kids
Planet

Our portfolio continued

Media & Marketing

- Abacus E Media
- Dianomi
- Ebiquity plc
- Evoke Creative
- Four Communications
- Genflow
- Kagool
- LoopMe
- MRM Global
- One Media IP Group Plc
- ROI Media
- Sentric Music
- Sliide
- Snipple Animation Studios
- Streetbees
- Tapjoy
- The Mission Marketing Group

£113m

Invested in the sector since 2011

Retail, Leisure & Hospitality

- Angling Direct Plc
- Bob & Berts
- Boost Juice Bars & The Shake Lab
- Cass Art
- Cooplands Bakeries
- Coppergreen
- Crepeaffaire
- Everyman Media Group Plc
- Furniture Village
- Giggling Squid
- Gymbox
- Mission Mars
- Paint Shed
- PRS&Revital
- Rutland Cycling
- Safestay
- Seasalt
- The City Pub Group
- The Coaching Inn Group
- Versilia Solutions
- Yorkshire Wildlife Park

£296m

Invested in the sector since 2011

Technology

- 1Spatial Plc
- 365 Response
- Accesso Technology Group
- AdEPT Telecom - Structured
- Amdaris
- Amino Technologies Plc
- ANDigital
- Appnovation
- AuditComply
- Blue Light Card
- Celaton
- Cirrus Response
- Collision Management Systems
- Cutting Edge Solutions
- Datum360
- DevOpsGroup
- DICE FM
- Edgescan
- Gaist
- Garrison Technology
- Getbusy Plc
- Gresham Computing Plc
- Helecloud
- Inoapps
- Invenio Business Solutions
- Juriba
- K3 Business Technology Group Plc
- Localised
- Marvel
- Netcall Plc
- Olive Communications
- Paddle
- People XCD
- Planixs
- PTS Consulting
- Record Sure
- Roc Technologies
- SaleCycle
- Simworx
- The Plum Guide
- TickX
- TIG
- Touchlight
- Trakm8
- Triptease
- UKCloud
- Unique Digital
- Waracle

£410m

Invested in the sector since 2011

Responsible business

Applying ESG principles in our activities

Environmental, social and governance (ESG) factors are crucial to BGF's investment philosophy.

Our efforts:

Joining the PRI
In 2020, BGF became a signatory to the Principles for Responsible Investment, backed by the United Nations

ESG in our process
We have taken measures to embed environmental, social and governance factors in our investment process

Backing innovation
Our investments in green growth include battery technology company Aceleron

Sustainability at BGF

Measuring our environmental footprint

BGF is required to report on its annual greenhouse gas (GHG) emissions as part of the Companies Act 2006 (Strategic report and Directors' report) Regulations 2018. BGF is also required to report in line with Streamlined Energy and Carbon Reporting (SECR) requirements for the first time for the period 1 January 2020 to 31 December 2020, in line with its financial reporting period. These requirements include an overview of GHG emissions, intensity ratios, energy consumption and energy efficiency actions taken by BGF over the reporting period for operational office locations.

BGF engaged Net Zero Compliance, a division of Inspired Energy, to independently calculate and provide assurance of energy, water and waste performance information, including GHG emissions. We follow the UK's Environmental Reporting Guidance (2019), which is aligned with the Greenhouse Gas Protocol.

These disclosures apply to BGF's own energy usage and carbon emissions and not the energy usage and carbon emissions of investee companies in the BGF portfolio, over which BGF does not have direct control. The disclosures apply to BGF premises and not the energy usage and carbon emissions generated by employees working remotely.

BGF's energy usage and carbon emissions in 2020 were lower than in previous years due to the Covid-19 pandemic, which caused a fall in travel and a rise in remote working.

Overall, we estimate BGF's energy usage and carbon emissions in 2020 as follows.

	Kilowatt hours (kWh)	Tonnes of carbon dioxide equivalent (tCO_2e)
Gas	105,337	19.4
Electricity (grid)	434,218	101.7
Transport	130,394	31
Air		18.2
Rail		5.5
Total		175.8

At the end of 2020, BGF employed 172 people, which gives a carbon intensity of 1.02 tCO_2e per person.

During 2021 we will also be expanding the function of a Non-Executive Director's role to provide independent oversight to our ESG agenda, ensuring it has the focus and leadership to support the Executive team to deliver the Group's objectives. Alice Avis has volunteered to include this within her remit, bringing with her a wealth of experience and a commitment to diversity and inclusion.

See more about our ESG investment process on **page 22**

Responsible business continued

BGF recognises that environmental, social and governance (ESG) factors play a crucial role in determining the value of investments and should be considered alongside purely financial considerations when assessing new investments or working with investee companies. These factors are now embedded into the heart of our investment process.

In 2020, BGF became a signatory to the Principles of Responsible Investment (PRI), an initiative backed by the United Nations which calls for the integration of ESG principles in investing. As a signatory, we seek to uphold the initiative's six principles, which include pushing for better disclosure of ESG matters and aspiring to be 'active owners' of the investments we manage.

Within BGF
We also aim to apply ESG-style thinking within our own business, for instance through accurate reporting, energy assessments, and the publication of data on carbon intensity of our operations (see box, previous page). We champion diversity and inclusion within our organisation and recruitment process.

Green growth
BGF also proactively seeks to support businesses and sectors that are helping to solve society-wide challenges such as climate change. We call these investments 'green growth', and have a team of 12 investors across BGF focusing on them. Our existing green growth investments include Aceleron (see case study, page 23), whose technology allows batteries to be reused and recycled, rather than replaced. We have invested in businesses that develop hydrogen fuel cells, maintain wind turbines, recycle organic waste, and apply energy-efficient practices in building and construction.

Talent Network
We also recognise the importance of specialist knowledge on sustainability and have added to our Talent Network a number of experts on environmental, social and governance issues. These experts are available as part of our Expertise On-Demand service to assist investee and potential investee businesses in improving their ESG performance, typically on a consultancy or interim basis.

Investment process
ESG is not only limited to the green growth sector. We also apply ESG factors to our overall portfolio, recognising that every company has the potential to improve its performance on these metrics for the good of their staff, customers and society at large. We follow the process outlined on the right, which explains how ESG considerations are incorporated from deal memo stage right through to a company's potential exit from our portfolio.

Assessment
If any ESG risks are identified during the investment process, we consider:

- whether further and more targeted due diligence is required to assess the issue using specialist firms;
- if the risk is material, in which case we review the risk to determine whether to turn down the investment opportunity or to see if it is possible to rectify or manage the risk during the life of BGF's investment;
- the attitude of the senior leadership team in the investee company in their commitment to dealing with the risk and their track record; and
- once invested, BGF works with investee companies to ensure they adhere to their ESG principles and align with relevant long-term goals at government-level, for instance the UK's ambition to be carbon neutral by 2050, or 2045 in Scotland.

BGF's ESG investment process

Pre-investment

- Investment team assesses ESG status of company using formal guidance note to report on company's attitude to ESG and notable findings on risk and opportunity, using an agreed ESG rating system
- Further due diligence conducted as required, engaging experts from, for example, the Talent Network
- Matters arising are discussed as part of internal investment committee

Post-investment

- ESG reporting incorporated into six-monthly cycle
- Six-monthly portfolio 'deep dives' carried out to monitor and measure ESG progress
- Guidance and tools to help portfolio businesses improve their ESG ratings

Over the next 12 months, BGF will continue to enhance its end-to-end ESG management system. A new addition will be one of the independent Board Directors taking a more direct and active role in reviewing ESG from a strategic perspective, further highlighting the importance of this area as well as increasing accountability.

Responsible business continued

CEO:
Dr Amrit Chandan (left, with co-founder Carlton Cummins)

Company description:
Battery technology

Location:
Birmingham

Investment amount:
£1.45m

Invested:
2020

Case study

Reduce, reuse, recycle

The UK has committed to achieve net zero greenhouse gas emissions by 2050, or 2045 in Scotland, a goal that is likely to require a colossal investment in batteries to power devices and vehicles that have historically burned petrol and other fossil fuels.

Electric vehicles alone are expected to create 11 million tonnes of battery waste a year in the next 20 years. Aceleron's solution is to create batteries that are designed to be repaired, reused and upgraded, rather than replaced. A £1.45m investment by BGF, alongside an existing investor, is allowing the firm to double the size of its team, develop its battery technology, and deploy its products globally.

Aceleron

A culture of giving back

Claire Lamb, Director of Human Resources, discusses the importance of being a responsible business, a culture of charitable giving, flexible working practices and diversity.

Building back better:

Championing diversity
We joined the Diversity Project, an initiative calling for a more inclusive culture in the investment industry

Supporting charities
BGF donated £100,000 across eight charities across the UK and Ireland during the pandemic

Engaging staff
Staff engagement is above the sector norm with 92% proud to say they work for BGF (company survey)

Q

How would you describe the corporate culture at BGF?

A

The key driver is that BGF has a sense of purpose about what it does. In a recent company engagement survey, we found that 92% of our staff say the purpose of BGF makes them feel good about their work. Our staff get to interact with really interesting, entrepreneurial businesses, but as well as that, people believe in what we're trying to do here, which is to support those growing business in the UK and Ireland with the potential to have a positive impact.

Q

What did the survey reveal about staff attitudes?

A

A lot of people referred to BGF as being collaborative, supportive and collegiate, which is important for an organisation that is dispersed across 16 offices. The idea is that you can pick up the phone and chat to someone, wherever they are based, and they will listen to you and consider your viewpoint. It's inclusive in that regard. Maintaining the ability for team members to connect and collaborate during the pandemic was crucial for us.

92%

of employees say the purpose of BGF makes them feel good about their work

Q

How did you support BGF staff during the pandemic?

A

We ratcheted up the number of opportunities to interact, be it through weekly virtual all-staff meetings or through more informal channels, where employees could share how they had been spending their time outside of work. In terms of offering support, we hosted webinars to cover aspects such as anxiety, sleep and resilience. These sessions included tips on how to keep your kids occupied, resources about mindfulness, and advice about how to work from home more effectively. We also put on special sessions for managers to equip themselves to manage remotely, for instance sessions on how to see signs of stress in your team. In providing these resources, we were helped by businesses such as Mind Gym, a coaching service in which BGF is an investor.

We provided further support for those who needed it. For example, we offer access to HelloSelf, a service that connects users with therapists for online, face-to-face sessions, and to Thrive, which is a mental health wellbeing support tool. One size doesn't fit all. When we provide access to resources, we want there to be enough choice so that if someone wants support, they have several possible avenues.

> **"As an organisation, BGF is very philanthropic. People choose to work here because of our sense of purpose, and that sense of purpose is reinforced by the charitable causes we support."**

Q

Will any of the changes that affected people's working lives during the pandemic prove permanent?

A

We supported flexible working at BGF long before the pandemic; however, there's no doubt the prolonged period of remote working in the past year has focused attention on flexibility. We recognise that different people have different needs – offering flexible arrangements is critical for our diversity and inclusion (D&I) efforts. With that in mind, one really positive thing that has come out of the Covid-19 crisis is that we proved we can work effectively remotely.

That said, physical interaction is important. During those periods when it was safe to visit our offices, we saw a high footfall. Many of our staff want to get back to the office as soon as possible. I think that's the nature of our organisation. A big part of our culture is being able to collaborate and nothing beats being able to be around your peers and team and feed off each other.

Q

What does BGF do to promote a diverse working environment?

A

In 2020, we joined the Diversity Project, which is an initiative that champions a more inclusive environment in the savings and investment industry. We also ran a summer internship programme, virtually this year, with an even gender split among our intake. For the 2021 programme, we are working with #10000BlackInterns, an organisation that helps Black people access jobs in the investment industry. In terms of hiring, we employed as many women as men in the investment teams in 2020.

Q

What charitable activities has BGF been involved in?

A

In 2020, BGF donated £100,000 to eight charities to help support them during the pandemic. The organisations we supported included Pieta House, a suicide prevention charity in Ireland; Alexander Divine Children's Hospice, which supports the families of children with life-threatening conditions; and Llamau, the leading homelessness charity in Wales.

As well as that, we worked with atlasGO, an employee engagement service, to coordinate a series of activites including running, biking, swimming and tennis, which brought our employees together for exercise, team-building and to raise money for good causes.

As an organisation, BGF is very philanthropic. People choose to work here because of our sense of purpose, and that sense of purpose is reinforced by the charitable causes we support. We are actively considering how we can do more going forward, based on BGF's core ethos and approach.

—

Claire Lamb
Director of Human Resources

Responsible business continued

Case study

Sustainable style

Starting from a single shop in Penzance, Seasalt has grown into one of Cornwall's biggest employers with a nationwide chain of stores selling beautiful and practical clothing inspired by the Cornish landscape and artistic heritage.

The company is committed to sustainable practices, having gained Soil Association certification for its use of organic cotton as long ago as 2005. It now aims to source nearly all its materials from responsible producers, in line with initiatives such as the Global Organic Textile Standard and the Responsible Wool Standard.

BGF invested £11.5m in the business in 2018 to help open more shops, improve the customer experience in-store and online, and assist the company in expanding internationally. The pandemic has seen Seasalt dramatically increase its e-commerce activities, leveraging technology together with its loyal and growing customer base.

CEO:
Paul Hayes (not pictured)

Company description:
Clothes retailer

Location:
Cornwall

Investment amount:
£11.5m

Invested:
2018

Seasalt

Responsible business continued

Supporting female business leaders

BGF is proud to back many great businesses led by women. We want to support diverse management teams and take down barriers preventing female entrepreneurs from succeeding.

Supporting diversity
BGF is a signatory to the Investing in Women Code and Women in Finance

Jane Theaker, CEO of proteomic-data science and diagnostics company Kinomica, which has received £1.5m from BGF

"We have invested £225m since 2011 in female-led businesses, almost £30m of which was invested in 2020."

£225m
invested in female-led businesses since 2011, almost £30m in 2020

42%
of BGF staff are female, as are five out of nine heads of department

BGF is committed to backing entrepreneurs and management teams with potential, especially those who are historically underrepresented in entrepreneurship in the UK and Ireland.

The Alison Rose Review of Female Entrepreneurship (2019) highlighted the disparity between female-run and male-run businesses. Among the findings: only one in three UK entrepreneurs is female; female-led businesses are only 44% of the size of male-led businesses on average, in terms of their contribution to the economy; and male-run small and mid-sized businesses are five times more likely to scale up to £1m turnover than female-run counterparts.

BGF is working to counteract these trends. We have been named the most active equity investor in female-led businesses in the UK by the ScaleUp Institute and Beauhurst. We have invested £225m since 2011 in female-led businesses, almost £30m of which was invested in 2020. BGF's Talent Network helped to place 11 women on the boards of BGF-backed businesses.

To help increase investment in female-run businesses, we are working with Coutts, the private banking arm of NatWest, to launch The UK Enterprise Fund to bring additional funding and support to entrepreneurs across the UK, with specific initiatives and programmes for female-led businesses.

Engaging with our stakeholders

To secure our long-term success, it is important to engage with our stakeholders and take account of their perspectives.

Engaging with our stakeholders helps us to create a more sustainable business and improve outcomes for our investee businesses, employees and shareholders. The Board also proactively engages with stakeholders to understand their views across a range of issues.

The Board's statement on s172(1)
The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are informed by s172 considerations.

Through an open dialogue with our key stakeholders the Board is able to understand the issues that matter to them and take account of their perspectives in decision making, along with broader factors including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In the table below we set out our key stakeholder groups, the material issues that matter to them and how we engage with them. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

Our stakeholders and why they matter	What matters to them	How we engage
Shareholders Our investors provide capital without which we could not grow and invest for future success.	– The BGF mission to support SMEs and local communities – Responsible and sustainable business model – Financial performance and impact – Transparency – Proactive communication – Governance	– Representatives of our shareholders sit on our Board, which meets quarterly – Financial information, delivered monthly – Executive reporting, prepared monthly – Quarterly shareholder-team meetings – Regular updates on specific measures – Annual budget review and approval – Annual shareholder day
Ireland investors (ISIF and Banks)	– The BGF mission to support SMEs – Responsible and sustainable business model – Financial performance – Transparency – Proactive communication – Governance	– Twice-yearly investor meeting – Regular contact with third-party investors – Monthly reporting
Employees Our experienced and diverse workforce is a key asset of our business.	– The BGF mission to support SMEs – Opportunities for personal development and career progression – A culture of inclusion and diversity – Remuneration and benefits	– Regular team meetings (historically monthly but frequency increased during Covid-19 pandemic while staff worked from home) – Intranet tools – Employee surveys, and subsequent communications and actions – Biannual all-team Offsites – Annual appraisals and development plans – Professional development
Investees The continued performance of our business would not be possible without understanding the needs of our portfolio companies.	– Financial investment – Expertise and guidance – Patient capital – Partnership model	– Board representation – Annual CEO/Portfolio Day – Annual Finance Director Day – Annual Marketing Day – Ad hoc communications (including webinars) of pertinent information/updates

Engaging with our stakeholders continued

Our stakeholders and why they matter	What matters to them	How we engage
Suppliers	– Fair and transparent terms	– Ongoing interaction at operational level with appropriate employees – Pursuit of efficient payment processes
Regulator and government As a responsible employer and business, we are committed to engaging constructively with regulatory bodies.	– Regulatory compliance – Insight to the SME universe to assist policymakers – Statutory reporting and tax rule adherence	– Frequent meetings with Treasury and Government to assist with policymaking – Active external affairs function – Robust compliance and finance functions
Communities and environment We are committed to making a positive contribution to the communities within which we operate, by investing in and providing expertise to local businesses, creating employment opportunities and reducing our environmental impact.	– Growth capital and expertise for local businesses – Support of charities – Minimising environmental impact	– Acting in a fair and responsible manner is a core element of our business. Read more on page 21. – More active support for local communities

Engaging with our stakeholders continued

How stakeholders influenced Board decision making

We define principal decisions as those that are material to the Group, but also to any of our key stakeholder groups. In making principal decisions, the Board considers the outcome from its stakeholder engagement as well as the need to maintain high standards of business conduct and to act fairly between the members of the Company.

Our Board ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, our Board acknowledges that the Company can only grow and be successful over the long term if it understands and respects the views and needs of our shareholders/investors, employees, investees and other stakeholders to whom we are accountable, as well as the environment and market we operate within.

As is typical in organisations such as BGF, the Directors fulfil their duties partly through a Governance Framework that delegates day-to-day decision making to the Executive Committee of the Company. The Board recognises that such delegation needs to be part of a robust governance structure, which covers our values, how we engage with our stakeholders, and how the Board assures itself that the governance structure and systems of controls continue to be robust.

Our Executive Chairman, Deputy Chairman, Chief Operating Officer and Company Secretary set the agenda for each Board meeting, with input from the other Directors as appropriate, to ensure that the requirements of section 172 are always met and considered through a combination of the following:

- Board papers ensure that stakeholder factors are addressed where relevant.
- Standing agenda points and papers presented at each Board meeting: for example, the Executive Chairman, Chief Investment Officer and Chief Operation Officer present updates on overall business, financial, investment and portfolio performance, as well as progress on strategic initiatives and investor relations. The Committee Chairs also present updates from each of the underlying committees (primarily Audit & Risk, Remuneration and Nominations) as appropriate, with any items for recommendation being assessed and considered by the Board.
- A rolling agenda of matters to be considered by the Board throughout the year, including an annual strategy day, which considers the purpose and strategy for the Group.
- An annual budget exercise, which following consideration by the Executive Committee, is approved by the Board and Shareholders.
- Consistent approach to minute taking with details as to when section 172 factors are being considered.
- Formal consideration of any these factors which are relevant to any major decisions taken by the Board throughout the year.
- The review of many of these topics through the risk management framework, including the tracking of the various key risk metrics against appetite and thresholds.
- Regularly scheduled Board presentations and reports, by way of example: employee engagement, risk register reports (as outlined above), people and culture, diversity and inclusion, corporate responsibility, ESG and sustainable investment strategy.
- Engagement with the Company's stakeholders (as captured in the table above).

Engaging with our stakeholders continued

Effect and impact – principal Board decisions and how the Board considered stakeholders' views:

BGF UK Enterprise Fund
During 2020, the Board approved to proceed with the launch of the BGF UK Enterprise Fund, in partnership with Coutts, the Private Banking arm of NatWest. The BGF UK Enterprise Fund will bring additional funding and support to entrepreneurs across the UK, building on Coutts' and BGF's existing platforms, drawing on the significant scale and financial firepower of the two companies.

The launch of the partnership coincides with the one-year anniversary of the Alison Rose Review of Female Entrepreneurship. The 2019 Review found that the UK is lagging behind many peer countries on the ratio of female to male entrepreneurs – for every ten male entrepreneurs in the UK, there are fewer than five female entrepreneurs. This Fund will be a key tool in raising awareness and support for female entrepreneurs regarding our patient, long-term capital.

Stakeholder	Consideration	Outcome/Impact
Shareholders and investors	The Board considered the impact of bringing in additional sources of capital.	The Board concluded that additional funding and diversifying the investor base was a positive step both in the short term for this specific initiative, as well as in the long term as the business continues to develop and scale.
Employees	The Board considered the cultural fit of the organisations, as well as the initiative as a whole.	The Board concluded that the two organisations were culturally aligned, and the initiative as a whole would have a positive impact on employee engagement, as that continues to develop and grow.
Investees	The Board considered the potential impact on the underlying investee companies the BGF UK Enterprise Fund would be investing in.	The Board concluded that the additional funding would broaden BGF's reach across a more diverse set of entrepreneurs by raising awareness. Increasing diversification in our portfolio and our Talent Network should also deliver greater perspectives through knowledge sharing and guidance, as well as helping to address barriers identified by the Alison Rose Review of Female Entrepreneurship.
Regulator	The Board considered the regulatory impact of establishing and managing the new Fund.	The Board concluded that the Company had the requisite regulatory permissions to manage the Fund, following the launch of BGF Ireland in 2017.
Communities and environment	The Board considered the impact and contribution that the Fund would potentially have on the communities and the environment within which we operate.	The Board concluded that the Fund would have a positive contribution to the communities and environment within which we operate. BGF has already shown the power of having a clear focus on the regional economy which has resulted in 74% of our investments being outside London and the South East. This initiative will help us build on that by backing more talented businesses and doing more to back underrepresented groups. It will aim to identify and address both a market failure as well as an opportunity.

Business review

Results

The key driver of the Group's long-term performance is net realised gains achieved on exit. Prior to the point of exit there will be unrealised gains and losses which will fluctuate reflecting the early stage of many of the Group's investments, external factors, and comparable company valuation multiples. In addition, as a minority investor BGF does not control exit timing.

Chief Operating Officer:
Matthew Reed

P&L highlights
The Group made a profit after taxation of £344,281,000 (2019: £113,132,000). The year-end operating profit was £346,001,000 (2019: £112,577,000). This consisted of revenue profits of £36,042,000 (2019: £33,944,000), realised capital gains of £44,508,000 (2019: £25,725,000) and unrealised gains of £265,451,000 (2019: £52,908,000).

Taxation
The profit of the Group includes significant amounts from the sale of equity shares and increases in the value of equity shares held by the Group at the year end. In many cases the sale of shares benefits as intended from the Substantial Shareholder Exemption (SSE) and is excluded from the taxable profits of the Group. The application of SSE was extended by the Government in 2017 to enable institutional investors such as BGF to benefit from the exemption, better aligning the UK with other tax jurisdictions. Valuation gains on equity shares are not taxable in the year in which they are recognised but will be taxed in the year that the shares are sold (unless they benefit from SSE at the time of sale). As a result of these factors, the Group's tax charge for the year represents 0.5% of the operating profits.

Business review
BGF is achieving its stated purpose: championing growing businesses and ambitious entrepreneurs across the UK and Ireland, providing patient capital on a minority basis. There is now no doubt of both the demand and the need for additional long-term capital for a broad array of smaller companies, beginning with start-ups, through later-stage venture capital, to growth capital where BGF has made the most impact so far, and then smaller quoted companies.

> **"There is now no doubt of both the demand and the need for additional long-term capital for a broad array of smaller companies."**
>
> **Matthew Reed**
> Chief Operating Officer

BGF has also announced an expansion in its fund management activities through a partnership with Coutts. This will allow Coutts clients to invest in SMEs via a vehicle managed by BGF and will launch in 2021. This will provide additional funding for BGF to deploy in meeting the demand for long-term capital, as well as raise awareness and support for female entrepreneurs and more diverse management teams.

Operations in 2020 have been significantly impacted by Covid-19 with all staff working from home for large parts of the year. Despite this, BGF has increased its investment activity and has maintained a strong pipeline going into 2021, reflecting ongoing efforts to build awareness, whilst leveraging its growing and extensive track record built over the last ten years. It is also often in difficult times that the quality of the portfolio is both tested and demonstrated, so the

Business review continued

performance in 2021, as evidenced by the significant increase in the valuation, has been very encouraging recognising that many of the Group's investments are still immature.

Investment activity
BGF Growth made 27 new direct investments investing £172m. BGF Quoted invested £55m in 16 AIM companies and our Earlier Stage business invested £35m in 18 earlier-stage companies. The Group also provided a further £122m as follow-on funding to companies in its existing portfolio. This highlights the continuing breadth of BGF's investment activities, as well as increasing diversification which is an integral part of the business model, allowing us to successfully build and manage a higher risk smaller company portfolio to generate required returns, as well as providing crucial further investment to a growing portfolio.

The range of sectors and regions represented continues to demonstrate that entrepreneurs and growing companies can be found in all parts of the economy and across the UK. BGF's ability to talk directly to local businesses is a key differentiator and is why our regionally based model is so crucially important.

Another mark of progress is the number of companies that have sought further funding from BGF for positive reasons. Follow-on investment is a critical element of the BGF offer and a key reason many entrepreneurs are attracted to BGF. Sustained growth requires regular funding over the long term. Attracting new investors can require significant management time. BGF's access to capital means that its successful investee companies know that they have a supportive investor at their side; they can seize opportunities when they arise, and most importantly remain focused on growing their businesses. The same remains true for portfolio companies requiring support during a difficult period, however, we will always seek commensurate returns for the risk our funding attracts.

As the largest provider of growth capital in the UK, BGF is mindful it is part of a wider ecosystem that includes companies, banks, advisers, investors, local and central government and many others. We have been working hard to earn their trust and build relationships that will benefit UK entrepreneurship most, delivered right across the country.

Exits
2020 saw 28 companies fully exited during the year and a number of partial sales of companies that remain within the BGF portfolio. These collectively generated proceeds of £228m from investments with an original cost of £196m and fair value of £181m, a pleasing outcome considering the difficult trading environment stemming from the pandemic. BGF retained investments valued at £23m as part of the exits. BGF realised a loss on investment of £72m on 14 of these exits as a number of portfolio companies failed to achieve the objectives which BGF had supported. Understanding that not every business will succeed is an inherent element of being an equity investor and BGF in assessing this risk recognises that. However, our willingness to do this is an essential part of backing entrepreneurs, in turn creating the broader environment for growth while driving overall returns from the portfolio. This reinforces the benefit and importance of diversification. The remaining exits generated a gain on investment of £117m, and an overall return of 2.3x.

The table below shows the returns generated from all the companies that were fully exited in each year since BGF was formed. It should be noted that (a) returns on underperforming investments will often be realised earlier than on investments which generate higher returns, and (b) later vintages are showing higher returns as BGF's knowledge, experience and diversification increase. As a long-term minority investor, building a large and diversified portfolio of smaller companies with all the risk that entails, our aim is to create a balanced return overall for the portfolio reflective of the risk and reward. Our progress to date is well illustrated in individual exits as shown, and then more broadly in the growth in underlying NAV, which in 2020 increased to £1.30 per share versus £1.00 in 2019. We expect to see continuing progression as the portfolio matures and more gains are realised on exit.

Portfolio summary £'000:

Vintage	Invested Cost	Current Cost	Residual Value	Income	Proceeds	Total Return	MM*
2011	14,086	–	–	5,545	27,133	32,678	2.32
2012	230,948	94,895	102,699	55,923	148,825	307,446	1.33
2013	162,679	43,268	31,138	34,171	66,006	131,315	0.81
2014	304,724	174,794	134,454	76,797	152,186	363,438	1.19
2015	271,416	177,394	186,934	53,417	110,652	351,003	1.29
2016	438,734	257,956	281,518	75,062	222,516	579,095	1.32
2017	279,662	241,726	269,223	38,294	26,173	333,690	1.19
2018	393,927	362,056	496,708	43,519	62,635	602,863	1.53
2019	241,597	226,810	342,196	16,597	15,704	374,497	1.55
2020	254,157	254,070	288,401	7,149	–	295,550	1.16
Total	**2,591,930**	**1,832,968**	**2,133,271**	**406,474**	**831,830**	**3,371,575**	**1.30**

* Net asset value at 31/12/20, not estimated value on exit.

Exit Summary £'000*:

Year of Exit	No. of Exits	Invested Cost	Income	Proceeds	Residual Value	Total Return	Gain/ (Loss)	Avg. MM	Avg. Hold Period
2011	–	–	–	–	–	–	–	–	–
2012	–	–	–	–	–	–	–	–	–
2013	–	–	–	–	–	–	–	–	–
2014	1	6,397	318	199	–	517	(5,880)	0.08	2.1
2015	5	24,305	3,327	39,368	–	42,695	18,390	1.76	2.1
2016	10	46,673	5,641	37,781	–	43,422	(3,251)	0.93	2.7
2017	12	86,000	12,794	112,244	1,248	126,286	40,286	1.47	2.9
2018	29	195,646	31,373	216,383	23,967	271,724	76,078	1.39	3.4
2019	17	110,203	25,452	95,717	1,666	122,835	12,632	1.11	3.8
2020	28	186,256	34,378	196,586	117	231,081	44,825	1.24	4.3
Total	**102**	**655,479**	**113,284**	**698,278**	**26,998**	**838,560**	**183,081**	**1.28**	**3.53**

* There were no exits in the years 2011-2013.

Risk review

The Board considers that adequate risk mitigation controls exist over the financial reporting process.

A single team is responsible for preparing and consolidating the financial reporting for each of the Group entities and ensuring that financial information is accurate and complete.

Reviews are conducted by senior members of staff, to ensure that transactions and balances are recognised and measured on a consistent basis and in accordance with appropriate accounting policies and financial reporting standards.

Risk	Impact	Mitigation	Trend	
Portfolio Performance and Returns	Risk of portfolio underperformance by way of investments not generating a risk adjusted commercial rate of return over time	– Experienced IC members and rigorous IC process – High-quality investment teams – Robust investment management of portfolio	↑	Economic slowdown and ongoing uncertainty, and in particular Covid-19, impacting some portfolio companies. However overall, the portfolio has been remarkably robust over the period, with forecast portfolio returns still within an acceptable range
Investment	Risk that quantity and quality of investment pipeline of opportunities is not within an acceptable range over the longer term	– Growing / established reputation within the market – Track record of being the most active growth capital investor in the UK – Regional focus and approach – Supportive bank shareholder network	↑	Investment levels on an LTM basis, as well as over a three-year period, continue to be positive, with increasing momentum and deployment in Q4 2020 followed by record investment activity YTD in 2021 although the pipeline remains subject to short-term fluctuations
Funding	Risk that BGF has insufficient funding to achieve its long-term objectives Risk that BGF is unable to attract additional investors and raise funds in a manner that is compatible with existing shareholders and our evergreen model in the long term	– Supportive bank shareholder base – £2.5bn capital commitment – Profitable at an operating level month on month and growing exit activity – Evergreen nature and ultimate aspiration to be self-funded – Establishment of BGF Ireland and ongoing development on potential investor base	↑	Long-term funding diversification continues to be a key focus of the Board Funding discussions and development of potential investor base ongoing
Reputational	Risk that there is a significant reputational issue that has a material impact on BGF	– BGF's culture and reputation within the market – Strong Leadership / Executive team – Robust processes to ensure that reputational risk issues are managed effectively, ensuring risks (or potential risks) are identified and reviewed, with any actions, outcomes and responses agreed – Strong focus on portfolio engagement and communication	—	Under constant review, and readiness to address matters as they arise

Risk review continued

Risk	Impact	Mitigation	Trend	
Recruitment and Retention	Risk that BGF is not able to attract or retain staff due to an inadequate or below market remuneration policy Risk that remuneration policy does not remain appropriate to the needs of the business	– Robust moderation and Remuneration Committee process in place, including annual assessment and review of the remuneration policy – Compensation model aligned with the long-term objectives and risk profile of the business – Both short-term and long-term components form the basis of total compensation	—	Levels and type of staff churn continues to be within an acceptable level and remuneration policy is appropriate with regards to our ability to attract and recruit talent
Financial Operating Performance	Risk of poor financial operating performance	– Budget process, including Executive Committee, Board and Shareholders' review and approval – Detailed monthly financial monitoring and reporting	↑	Operating performance continues to be profitable and ahead of Budget
Compliance and Regulatory	Risk that BGF does not have appropriate policies and procedures to ensure it conducts business in a compliant fashion and in accordance with the expectations of its Board and shareholders	– Detailed procedures set out in Compliance Manual and formally assessed via Annual Affirmation exercise – Appointment of Compliance Officer who has sufficient seniority and independence, supported by BGF's own internal Compliance team	—	No significant regulatory or compliance breaches during the course of 2020

Board of Directors

Our Board

Cracking the code for business growth
BGF's headquarters are in Watergate House, London, a building that was the first home of GCHQ

Stephen Welton
Executive Chairman

Date of joining: 2011

Experience
Stephen Welton is Executive Chairman of BGF, a role he has held since July 2020, and is responsible for the strategic direction of the company and a member of the National Investment Committee. Before taking on this role, Stephen was the founder CEO of BGF between 2011 and 2020. Under Stephen's leadership, BGF has grown from one to 16 offices across the UK and Ireland, with more than £2.5bn invested in a portfolio of some 400 companies and a team of over 180, becoming in the process the most active growth capital investor in the UK. Stephen has also led the expansion of BGF internationally and broadening BGF's investor base.

Prior to BGF, Stephen was one of the founding partners of the global private equity firm CCMP Capital (formerly JP Morgan Partners), and before that, Managing Director of Barclays Private Equity and Henderson Ventures, which he also co-founded. In 2013, Stephen was appointed an advisor to the UK Government regarding the establishment of the British Business Bank and in 2017, served as a member of the Industry Panel advising HM Treasury on the Patient Capital Review and is currently a member of the Prime Minister's Business Council. In 2018, Stephen was appointed a member of the first Council of Innovate UK, which forms an integral part of UK Research and Innovation.

Stephen has served as an independent director on a broad range of companies over many years, both in the UK and internationally, most recently joining the board of FTSE 100 Intermediate Capital Group plc as a Non-Executive Director in September 2017. Stephen started his career in banking, has a law degree from Durham University and is a qualified Barrister-at-Law.

Board of Directors continued

Neil Johnson
Deputy Chairman &
Senior Independent Director

Date of joining: 2011

Experience
Neil is currently Chairman of QinetiQ Plc and Electra Private Equity Plc and retired as Chairman of Synthomer Plc in December 2020 after nine years on the Board. He recently stood down from Chair roles at Motability Operations Group Plc and Centaur Media Plc. He was formerly CEO of the RAC and chaired telematics company Cybit Plc through IPO and ultimate sale to a US private equity house in 2010.

After directing the European automotive interests of British Aerospace, he served a term as Director General of the Engineers Employers Federation and later set up a transatlantic trade and business promotion body, British-American Business Inc.

Following an early career in the Army he began his business career with a series of roles within Lex Service Group, British Leyland, Jaguar and Land Rover. Neil is the Senior Independent Director on the BGF Board and in July 2020 stepped up to also become Deputy Chairman. He was, until 2012, an Independent Member of the Metropolitan Police Authority.

Andy Gregory
Chief Investment Officer

Date of joining: 2020 (exec since 2011)

Experience
Andy is Chief Investment Officer, a member of BGF's Board and Executive Team, and sits on the National Investment Committee. Andy has significant experience of regional private equity, having worked as a Director in the Manchester offices of ISIS Equity Partners, Bridgepoint, and Royal Bank Development Capital. He is a chartered accountant with over 20 years' experience in private equity, acquisition finance and corporate finance. Andy also has industry experience, having been Group Finance Director of Pennine Retail Systems Limited, a leading UK retail software company which was successfully backed by private equity.

He qualified as a Chartered Accountant with Arthur Andersen in Manchester and has an Economics degree from the University of Manchester.

Matthew Reed
Chief Operating Officer

Date of joining: 2013 (exec since 2011)

Experience
Matt joined BGF in 2011 and is responsible for the finance, compliance and operational functions of the business. Matt worked in Australia as a Chartered Accountant before moving to the UK in 1999. Since then he has worked in numerous finance roles in both investment banking and private equity in both the UK and Luxembourg, having spent six years at JP Morgan and then moving to CCMP Capital.

Matt holds a Bachelor of Commerce degree from the University of Western Australia and is a member of the Institute of Chartered Accountants of Australia.

Board of Directors continued

Our independent directors

Jim Strang
Non-Executive Director

Date of joining: 2021

Experience
Jim Strang is Chairman of Hamilton Lane's business in EMEA and a long-standing member of a number of the firm's investment committees. Hamilton Lane is an acknowledged global leader in providing alternative investment management advice and services to major investors around the world, with approximately $547bn in discretionary and advisory assets as of 30 September 2020.

Before joining Hamilton Lane, Jim was a Director at the UK mid-market PE firm Dunedin LLP and also served as a founding team member and Head of European Buyouts at Gartmore Private Equity (now Hermes GPE).

Jim is a Non-Executive Director and Chairman of the Board at Hg Capital Trust plc, a senior adviser to the private equity group at Bain & Co and a teaching Fellow at London Business School.

Kris Isherwood
Non-Executive Director

Date of joining: 2021

Experience
Kris Isherwood is the CFO for Eight Roads, the global proprietary investment firm backed by Fidelity International. Eight Roads is primarily focused on venture capital, particularly in healthcare and technology sectors with invested assets of c.$3bn. Prior to this, Kris was the Group CFO for Fidelity International for almost a decade.

Fidelity International is a leading global investment firm managing total assets of $600bn. Before entering the asset management industry, Kris held leadership roles as CFO of a UK-based life insurer and was a Director at KPMG.

Stephen Murphy
Non-Executive Director

Date of joining: 2011

Experience
Stephen Murphy currently serves as Principal of his own advisory business, as well as Chairman at OVO Group, a major UK retail energy provider; GYG plc, an AIM-listed superyacht services business; London & Capital Ltd, a UK and US wealth management company; Shaw Education Group plc, a Dublin-based digital education provider; and Elder Technologies, a UK based provider of live-in home care.

Stephen also serves as an adviser to Ashcombe Advisers, a boutique corporate finance house, and as a Director of Get Living London Ltd, a major residential build to rent company.

Previously Stephen was Group CEO of Virgin Group from 2005-2011 having succeeded the founder, Sir Richard Branson.

Stephen joined the Virgin Group in 1994 with a remit from Richard Branson to rationalise and restructure the business following the sale of Virgin Music. Stephen oversaw the creation of many new Virgin businesses including Virgin Blue in Australia and Virgin America in the US.

Alice Avis MBE
Non-Executive Director

Date of joining: 2016

Experience
Alice Avis joined the Board of BGF in April 2016 and brings a wealth of marketing, e-commerce and executive experience.

During her time as Chief Executive and Chair at The Sanctuary Spa, Alice oversaw a trebling of the business's value and its sale to PZ Cussons. Most recently she served as Executive Chairman for Lumene Oy, a Finnish skincare and cosmetics company. She is currently a Non-Executive Director at The Edrington Group, a privately-owned international spirits company; Cyden Limited, a British beauty tech company; and Empiric Student Property plc, the owner and operator of premium student accommodation across the UK. Alice also serves as an advisor to the National Trust and is a Trustee of City Harvest London.

Alice's experience includes stints as Director of Marketing and e-Commerce at Marks and Spencer, and as Global Brand Director at Johnnie Walker. In 2009 she was awarded an MBE for services to the beauty industry.

Our Shareholder Directors

James Chew
HSBC

Date of joining: 2011

Experience
James is Group Head, Regulatory Strategy in Group Public Affairs at HSBC Holdings plc. He considers key regulatory and public policy developments which will affect the HSBC Group across the world.

Since joining the HSBC Group in 1993, James worked on a number of joint ventures and was previously Deputy Head of Strategy and Group Head of Acquisitions and Disposals.

As part of the Business Finance Taskforce in the UK in 2010, James was the interim CEO responsible for the establishment of BGF. More recently, he served on the EU's High Level Forum for Capital Markets Union. He has a degree in Geography from Oxford, and an MBA from the Cass Business School, London, where he is also an Honorary Visiting Professor.

Stuart Johnstone
NatWest

Date of joining: 2018

Experience
Stuart runs NatWest's Corporate and Commercial banking business across the London and South East region. His team look after c.9,000 customers from small businesses through to FTSE 100 companies, providing them with the support that they need to grow.

Prior to his current role, Stuart ran the Non-Personal product teams at RBS who design, price, and market product solutions covering customer needs in funding, working capital, liquidity and payments.

Stuart has over 20 years of banking experience across a variety of roles. He started his career with NatWest, spent 10 years with first Rabobank International and then ABN AMRO, before rejoining RBS in 2007.

Stuart is also a Non-Executive Director of Esme Loans Ltd, a Trustee of RBS Social & Community Capital and a Member of the CBI London Council.

Steven Poulter
Barclays

Date of joining: 2020

Experience
Steven Poulter is Head of Principal Structuring & Investments at Barclays, which includes Principal Investments, Principal Structuring and Capital Markets Execution, is a member of the Treasury Management Team, and Chair of Barclays' Treasury Environmental Action Group. This broad remit allows him to help drive the green agenda through investing in equity capital of sustainability-focused companies, helping the transition to net zero.

Since joining Barclays in 1999, Steven has held various positions in London, Hong Kong and New York in the Investment bank and head office, including being responsible for the corporate restructuring required to implement Structural Reform and the establishment of Barclays UK.

Steven has a degree in Economics from Queens' College, Cambridge University, and qualified as a chartered accountant and a chartered tax adviser at Arthur Andersen.

Adrian White
Lloyds Banking Group

Date of joining: 2016

Experience
Adrian is Chief Operating Officer, Commercial Banking at Lloyds Banking Group (LBG), with responsibility for delivering all functional, operational and support services to the Group's business and commercial clients.

Prior to his current role Adrian led the LBG SME Banking businesses under both the Lloyds Bank and Bank of Scotland brands and he remains passionate about supporting small and medium-sized businesses to grow and prosper.

Adrian holds an MBA from Warwick Business School and is a Fellow of the Chartered Institute of Bankers.

Corporate Governance

Committed to high standards

The Board is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for the Group, in discussion with its shareholders. This framework is reviewed on an annual basis considering any changes to the Group's strategy.

Role of the Chairman
The Executive Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of its role.

Role of the Deputy Chairman
The Deputy Chairman is responsible for support and guidance to the Executive Chairman, Independent Chairs of the Remuneration and Nominations Committees, and for direct relationships with shareholders.

Role of the Board
The Board determines and monitors the Group's overall investment objectives and policies and considers the future strategic direction of the Group. The Board is responsible for presenting a fair, balanced and understandable assessment of the Group's position and, where appropriate, future prospects in annual and quarterly reports and other forms of public reporting. It monitors and reviews the marketing and shareholder communication strategies, and evaluates the performance of all service providers, with input from its Committees where appropriate.

The business of the Group is managed by the Board which may exercise all the powers of the Group. A procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Group, is in place.

The Board is accountable to the Group's stakeholders, including its shareholders, for the standards of governance operated throughout the organisation.

The Board has adopted a formal schedule of matters that are specifically reserved for its decision including: the approval of annual results; the recommendation of any dividends to shareholders; approval of annual budgets; review of Group strategic plans; review of the overall system of internal control and risk management; the review of compensation and incentives; and the review of corporate governance arrangements.

Corporate Governance continued

Specific responsibilities are delegated to a number of sub-committees such as the Audit & Risk, Nominations, Remuneration, Executive, Conflicts, Valuation and Investment Committees and these are documented through the relevant committee terms of reference.

The matters reserved for Board decision and the committee terms of reference are reviewed on an annual basis.

The Board delegates authority, within clearly defined limits, to the Group Executive Chairman, the Group Chief Investment Officer and the Group Chief Operating Officer ("Executive") for operational matters.

Board meetings are held quarterly. Additional Board meetings, or meetings of a Committee of the Board established by the Board to consider specific items, are convened when necessary.

The quorum for meetings is five eligible Directors including Bank Member Directors who are appointed by Bank Members holding at least 60% of the issued ordinary share capital of BGF. Guidance on majority and voting rights can be found in the Articles of Association.

In addition to items reserved to the Board by law and the Articles of Association, items that are reserved specifically to the Board for regular and/or periodic review include: overall strategy; Company performance, objectives and priorities; brand, values and reputation; external affairs; appointment of Senior Executives to the Board or Executive positions; and sub-committee reports and terms of reference, including membership of all committees.

Senior Independent Director
Neil Johnson was appointed Deputy Chairman in July 2020 and Senior Independent Director on 21 March 2013. The Senior Independent Director is available to shareholders if they have concerns that cannot be resolved through discussion with the Executive Chairman, and staff in relation to whistleblowing matters.

Company Secretary
The Company Secretary is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Tenure
The Board has adopted a policy on tenure that they consider appropriate for the Group.

Upon Sir Nigel Rudd's retirement as BGF Chairman in June 2020, Stephen Welton was asked by the Board and shareholders to take up the new role of Executive Chairman. Stephen has been responsible for the management and strategic direction of BGF since 2011 and continues to focus on the expansion of the Company, which has become the most active investor of growth capital in the UK and Ireland.

Senior Independent Non-Executive Director Neil Johnson, who has served on the Board since 2011, was appointed to the new role of Deputy Chairman to uphold the strong governance under which BGF operates. Following approval by the Board and shareholders, these changes were effective as of 1 July 2020.

Andy Gregory, Chief Investment Officer, was appointed to the Board in July 2020. Andy has been with BGF since 2011, joining as Regional Director for the North of England, and is now responsible for the management and strategic direction of all regional investment teams across the UK and Ireland.

Following a thorough process led by the Nominations Committee, and as part of the ongoing Board evolution and planned rotation, Kris Isherwood and Jim Strang were appointed as independent Non-Executive Directors in January 2021.

Steven Poulter also replaced Kevin Wall as the Barclays representative on the Board in October 2020, following Kevin's retirement from his role with the Bank.

The Executive Directors' positions are inherently linked to their roles within the Group and will therefore not be subject to reappointment. This approach will remain so long as the Executive Directors continue to fulfil their roles and the Board members remain satisfied with their performance and that they are the appropriate Executive Directors to be on the Board, in line with best practice and good governance.

In accordance with the Articles of Association, the bank shareholders as founder members reserve the right to appoint a Bank Member Director to the Board.

Induction and training
When a Director is appointed he or she receives a full, formal and tailored induction. This includes a detailed briefing from the Chief Operating Officer and the Company Secretary on the running of the Board covering such matters as terms of reference, governance practices, risk management and calendar of events. In addition, meetings are arranged with various members of management to facilitate a better understanding of the business and a visit to at least one BGF office is undertaken.

Performance evaluation
Although the Board continually assesses its own performance and effectiveness, the Directors also consider that a full Board effectiveness review should be carried out as needed. The last review was carried out in 2015. With the recent changes to the Board and the addition of two new independent Directors, the Board will conduct its next effectiveness review during 2021.

Corporate Governance continued

Review of the effectiveness of internal controls and risk management
The effectiveness of the Group's internal controls and risk management is assessed via the risk management framework, specifically the Group's Risk Appetite Statement and the ongoing monitoring and reporting associated with this. The Risk Appetite Statement looks at each of the key risks the business faces, our appetite or tolerance to these risks, the mitigations and controls we have in place, and the key metrics we use to track. The Risk Appetite Reports are presented to the Executive Committee on a monthly basis, as well as the Audit & Risk Committee and Board every quarter.

The Group also produces an annual Senior Management Arrangements, Systems and Controls Report ("SYSC") and the Money Laundering Reporting Officer ("MLRO") prepares an annual MLRO Report. Again, these are reported to both the Group's Audit & Risk Committee and Board and no material weaknesses or areas of concern were identified.

The Group has its own dedicated Risk and Compliance team who are primarily responsible for assessing, managing and reporting the actual and potential risks and issues faced by the Group. The team regularly engages with the different teams across the business and works closely with the Legal, Finance and Portfolio teams.

"The Group has its own dedicated Risk and Compliance team who are primarily responsible for assessing, managing and reporting the actual and potential risks and issues faced by the Group."

The Group has appointed an external compliance and regulatory adviser to provide independent oversight, and quarterly reviews are carried out in accordance with the Group's Compliance Monitoring Plan. Following each quarterly visit, a detailed report of the findings, including any recommendations, is prepared and shared with the Group's Compliance Officer and Audit & Risk Committee.

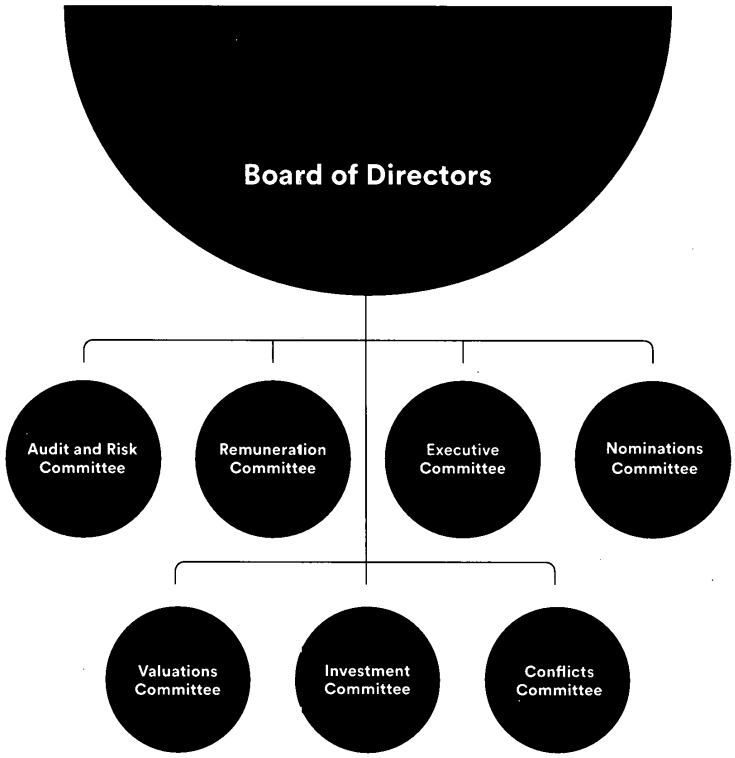
The Board considers that adequate risk mitigation controls exist over the financial reporting process. A single team is responsible for preparing and consolidating the financial reporting for each of the Group entities and ensuring that financial information is accurate and complete. Reviews are conducted by senior members of staff, to ensure that transactions and balances are recognised and measured on a consistent basis and in accordance with appropriate accounting policies and financial reporting standards.

Corporate Governance continued

Committees

The Board has delegated certain responsibilities and functions to Committees. Details of membership of the Committees at 31 December 2020 may be found on page 47.

BGF's governance structure



Corporate Governance continued

Audit and Risk Committee
The role of the Audit and Risk Committee is to ensure that the Group maintains the highest standards of integrity and competence in financial reporting, risk management and internal control. The Board considers each member of the Committee to be independent. The Board also considers that members of the Committee have competence in accounting.

The Committee shall be accountable to the Board and shall have responsibility for oversight and advice to the Board on:

- Ensuring an effective system of internal control and compliance over financial reporting and for meeting its external financial reporting obligations, including its obligations under applicable stock exchange listing rules, laws and regulations and shall be directly responsible on behalf of the Board for the selection, oversight and remuneration of the external auditor;
- The Board's risk appetite, tolerance and strategy;
- Systems of risk management, internal control and compliance to identify, measure, aggregate, control and report risks;
- The alignment of strategy with the Board's risk appetite;
- The alignment of reward structures, in relation to the management of risk, with the Board's risk appetite;
- Where requested by the Board, provide advice on whether the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; and
- The maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.

Remuneration Committee
The purpose of the Committee is to develop, review and advise the Board on the overarching principles, parameters and governance framework of the Group's remuneration policy and the remuneration of Senior Executives (being those whose appointment requires Board approval; employees who perform a significant influence function; employees whose activities have or could have a material impact on the Group's risk profile; and any other employee as determined by the Committee from time to time in accordance with the requirements of the Company's regulators).

BGF has adopted the following underlying principles in deriving a balanced remuneration policy:

- The compensation model should be aligned with the long-term objectives and risk profile of the business.
- The compensation model must ensure both attraction and retention of high-calibre people to deliver the required objectives and returns.
- Short-term and long-term components will form the basis of total compensation. In addition to short-term elements comprising basic salary, performance-related bonus and pension, a Long Term Incentive Plan ("LTIP") will be utilised to align long-term incentives and reward to the long-term investment strategy.
- BGF aims to be competitive and fair, in line with other providers of growth and development capital, venture capital and smaller and mid-market private equity funds.

Corporate Governance continued

Nominations Committee
The role of the Committee is to consider and make recommendations to the Board on the Board's composition and balance of skills and experience, and on individual appointments, to lead the process and make recommendations to the Board.

1. The duties of the Committee shall be to:
- Regularly review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- Give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and skills and expertise needed on the Board in the future;
- Keep the leadership needs, at Board level, of the Group under review (both executive and non-executive);
- Lead the process for Board appointments and make recommendations to the Board;
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
  a. Use open advertising or the services of external advisers to facilitate the search;
  b. Consider candidates from a wide range of backgrounds; and
  c. Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- Review the time required from each Non-Executive Director and assess whether they contribute effectively and demonstrate commitment to the role. Performance evaluation should be used to assess as appropriate whether the Non-Executive Director is spending enough time to fulfil their duties; and
- Arrange for Non-Executive Directors to receive a formal letter of appointment to the Board, on their appointment, setting out the expected time commitment, committee service expected of them and their involvement outside Board meetings.

2. The Committee shall make recommendations to the Board with regard to:
- Plans for succession for Executive and Non-Executive Directors and in particular the key roles of Chairman and Chief Executive;
- The appointment of the Company Secretary;
- The appointment of an independent Non-Executive Director;
- Membership of the Audit and Risk and Remuneration Committees, and any other Board committees as appropriate, in consultation with the Chairs of those committees; and
- The appointment of any Director to an executive or other office of the Group (other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the Board).

Executive Committee
The Company has monthly Executive Committees, which consists of the Group Executive Chairman and each of his direct reports and applicable Department Heads.

The purpose of the Committee is to review the objectives and achieve the priorities of the Board. The Committee reviews investment and portfolio strategy, and policy (including issues arising, deal execution and deal conversion), as well as strategic and operational priorities. The Committee takes accountability for day-to-day investment and operational decisions and will review the Company's strategies, performance and risks. The Committee reports to and make recommendations to the Board through the Group Executive Chairman.

BGF's Executive Committee

Investment Committee
The purpose of the Investment Committee is to determine and implement the investment guidelines set out in the Group's Business Plan and to approve investment decisions, being an investment proposal (where an investment proposal includes a proposal to make new investments, follow-on investments, restructuring of existing investments and full or partial exits from existing investments), and applicable investor consents.

Valuation Committee
The purpose of the Valuation Committee is to review and approve portfolio company valuations in line with the Company Valuation Policy and report these to the Audit and Risk Committee.

Corporate Governance continued

Conflicts Committee
The duties of the Conflicts Committee shall be to identify, review and monitor potential deal conflicts, for example between similar investment opportunities or an investment opportunity with a portfolio company, agree action to be taken, and where appropriate approve any deal conflicts. The Committee met ten times during 2020 and in all cases the potential conflicts were managed in a robust and effective manner.

Board and Committee membership
The Directors and their membership of key Board Committees is as set out below:

Director		Board	Audit and Risk Committee	Remuneration Committee	Nominations Committee
Alice Avis	Non-Executive Director	✓	–	–	–
James Chew	Bank Member Director	✓	✓	–	–
Andy Gregory	Head of Investments	✓	–	–	–
Kris Isherwood	Non-Executive Director	✓	✓	–	–
Neil Johnson	Deputy Chairman and Senior Independent Director	✓	–	✓	✓
Stuart Johnstone	Bank Member Director	✓	–	✓	–
Stephen Murphy	Non-Executive Director	✓	✓	✓	–
Steven Poulter	Bank Member Director	✓	–	–	–
Matthew Reed	Chief Operating Officer	✓	–	–	–
Jim Strang	Non-Executive Director	✓	–	✓	–
Stephen Welton	Executive Chairman	✓	–	–	✓
Adrian White	Bank Member Director	✓	✓	–	✓

Stephen Welton, Andy Gregory and Matthew Reed attend the Audit and Risk Committee. Stephen Welton is also an attendee of the Remuneration Committee.

The Board is satisfied that each of the Chairman and the other Non-Executive Directors commit sufficient time to the affairs of the Group to fulfil their duties as Directors. Where Directors are unable to attend any meeting, they will have a discussion with the Committee Chairman and/or the Company Secretary to ensure that they are fully apprised of the discussions.

Changes to Directors
The following Director changes occurred during the year and up to the date of this report:

Sir Nigel Rudd	resigned effective 30 June 2020
Andy Gregory	appointed effective 16 July 2020
Kevin Wall	resigned effective 15 October 2020
Steven Poulter	appointed effective 15 October 2020
Kris Isherwood	appointed effective 19 January 2021
Jim Strang	appointed effective 19 January 2021

Directors' Report

The Directors present their Directors' Report and Consolidated Financial Statements for the year ended 31 December 2020.

The Group has chosen to set out information relating to the business review and future developments, key performance indicators, principal risks and uncertainties, employee and corporate responsibility policies and political and charitable donations within the Strategic Report on pages 6 to 35.

Going concern
The Group finished the year with cash balances of £66m and BGF continues to have sufficient reserves to meet its liabilities as they fall due. The Company's primary asset is a loan to Business Growth Fund Limited which is where the Group's cash balances are held. The business actively manages its portfolio of investments and related Covid-19 exposure, and the Directors have considered various downside scenarios, which alongside the permanent funding committed from its shareholders to the Group enables the Directors to conclude the business is able to fund its activities for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Dividends
The Directors do not recommend the payment of a dividend for the period (2019: £nil).

Creditor payment policy
The Group's payment policy is to settle supplier invoices in accordance with agreed terms. At 31 December 2020, the Group had 34 days (2019: 47 days) of purchases held in creditors.

Directors
The Directors who held office during the year are set out in the Corporate Governance report on page 36.

Statement of disclosure of information to Auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and that each Director has taken all steps that ought to have been taken as Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Substantial shareholdings
As at 31 December 2020, the ordinary share capital was issued as follows:

	No. of shares	% of issued share capital
HSBC (BGF) Investments Limited	442,657,250	24.584%
RBS SME Investments Limited	442,657,250	24.584%
Uberior Investments Limited	442,657,250	24.585%
Barclays Funds Investments Limited	442,657,250	24.584%
Standard Chartered Bank	30,000,000	1.664%
	1,800,629,000	**100%**

Uberior Investments Limited is a member of the Lloyds Banking Group.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board of Directors on 20 April 2021 and signed on its behalf by:

Stephen Welton
Executive Chairman

Statement of Directors' responsibilities

Statement of Directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the Financial Statements.

The Directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report, the Governance Statement 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report
to the Members of BGF Group Plc

Opinion
We have audited the financial statements of BGF Group Plc ("the Company") for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss Account, Consolidated and Company Balance Sheet, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading minutes of meetings of those charged with governance including Board of Directors as well as Audit & Risk, Remuneration, Nominations and Valuations Committees.
- Considering remuneration incentive schemes and performance targets for management/directors/staff.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment valuation. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those containing key words, those made by individuals who typically do not make journal entries or are not authorised to post journal entries, those recorded as post-closing entries that have little or no explanation or description, and those posted on the weekends and bank holidays.

Independent auditor's report continued
to the Members of BGF Group Plc

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

Our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's ability to operate. We identified the following areas as those most likely to have such an effect: health and safety; anti-bribery; anti-money laundering; employment law; certain aspects of companies legislation; and financial services regulation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The Directors are responsible for the other information, which comprises the Strategic Report, the Directors' Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in those reports that report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006, we are required to report to you 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 these respects.

Independent auditor's report continued
to the Members of BGF Group Plc

Directors' responsibilities

As explained more fully in their statement set out on page 49, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
21 April 2021

Consolidated profit and loss account
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Investment income	2	85,918	81,235
Operating expenses	3,4	(49,876)	(47,291)
Net realised gain	7	44,508	25,725
Net unrealised gain	9	265,451	52,908
Operating gain		346,001	112,577
Interest receivable	6	78	307
Profit on ordinary activities before taxation		346,079	112,884
Taxation on ordinary activities	8	(1,798)	248
Profit on ordinary activities after taxation		344,281	113,132
Total comprehensive income		344,281	113,132

All income and expenditure arose from continuing operations. The profit or loss attributable to minority interests in the year is represented by the amounts paid under the LTIP as shown in Note 4.

A consolidated statement of total recognised gains and losses has not been prepared as all gains and losses are recognised in the consolidated profit and loss account.

There is no difference between all profits on ordinary activities before taxation and the retained profit for the period stated above and their historical equivalents.

The notes on pages 58 to 81 form an integral part of these financial statements.

Consolidated and Company balance sheet
As at 31 December 2020

	Notes	2020 Consolidated Group £'000	2020 Company £'000	2019 Consolidated Group £'000	2019 Company £'000
Fixed assets					
Investments	9	2,148,852	–	1,663,257	–
Investment in Group entities	10	–	1,157,855	–	1,157,855
Tangible fixed assets	11	8,571	–	7,103	–
		2,157,423	1,157,855	1,670,360	1,157,855
Current assets					
Debtors:	12				
Amounts falling due within one year		44,030	657,523	53,183	492,806
Amounts falling due after one year		37,687	–	24,463	–
		81,717	657,523	77,646	492,806
Cash at bank and in hand		65,569	–	54,316	–
		147,286	657,523	131,962	492,806
Creditors					
Amounts falling due within one year	13	(19,212)	(25)	(19,699)	–
Net current assets		128,074	657,498	112,263	492,806
Total assets less current liabilities		2,285,497	1,815,353	1,782,623	1,650,661
Provisions for liabilities and charges	14	(306)	–	(223)	–
Net assets		2,285,191	1,815,353	1,782,400	1,650,661
Capital and reserves					
Called up share capital	15	1,800,629	1,800,629	1,642,129	1,642,129
Retained earnings	17	484,456	14,724	140,175	8,532
Minority interest	16	106	–	96	–
Equity		2,285,191	1,815,353	1,782,400	1,650,661

These financial statements were approved by the Board of Directors on 20 April 2021 and were signed on its behalf by:

Stephen Welton
Executive Chairman

Company registration number: 10657226.

The notes on pages 58 to 81 form an integral part of these financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated Group	Notes	Called up share capital £'000	Profit & loss account £'000	Minority interests £'000	Total equity £'000
Balance at 1 January 2020		1,642,129	140,175	96	1,782,400
Profit for the period		–	344,281	–	344,281
Issue of shares	15	158,500	–	–	158,500
Acquisition of minority interests	16	–	–	10	10
Balance at 31 December 2020		1,800,629	484,456	106	2,285,191

Consolidated Group	Notes	Called up share capital £'000	Profit & loss account £'000	Minority interests £'000	Total equity £'000
Balance at 1 January 2019		1,453,129	27,043	74	1,480,246
Profit for the period		–	113,132	–	113,132
Issue of shares	15	189,000	–	–	189,000
Acquisition of minority interests	16	–	–	22	22
Balance at 31 December 2019		1,642,129	140,175	96	1,782,400

The notes on pages 58 to 81 form an integral part of these financial statements.

Company statement of changes in equity
For the year ended 31 December 2020

Company	Notes	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 January 2020		1,642,129	8,532	1,650,661
Profit for the period		–	6,192	6,192
Issue of shares	15	158,500	–	158,500
Balance at 31 December 2020		1,800,629	14,724	1,815,353

Company	Notes	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 January 2019		1,453,129	4,017	1,457,146
Profit for the period		–	4,515	4,515
Issue of shares	15	189,000	–	189,000
Balance at 31 December 2019		1,642,129	8,532	1,650,661

The notes on pages 58 to 81 form an integral part of these financial statements.

Consolidated cash flow statement
For the year ended 31 December 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
Operating gain	346,002	112,577
Adjustments for:		
Depreciation	1,287	1,008
Foreign exchange (gain)/loss	(55)	288
Net unrealised gain	(265,451)	(52,908)
Net realised gain	(44,508)	(25,725)
Decrease/(increase) in debtors	1,401	(3,021)
(Decrease)/increase in creditors	(369)	1,104
Increase in accrued income	(10,502)	(1,349)
Net cash from operating activities	27,805	31,974
Cash flows from investing activities		
Purchase of investments*	(378,632)	(350,813)
Disposal of investments**	204,845	123,174
Purchase of tangible fixed assets	(2,756)	(2,157)
Interest received	96	311
Net cash used in investing activities	(176,447)	(229,485)
Cash flows from financing activities		
Increase in share capital issued	158,500	189,000
Minority interest	162	23
Taxation refunded/(paid)	1,233	(3,410)
Net cash from financing activities	159,895	185,613
Net increase/(decrease) in cash and cash equivalents	11,253	(11,898)
Cash and cash equivalents at 1 January	54,316	66,214
Closing cash position	65,569	54,316

* Purchase of investments includes £10,196,000 (2019: £5,185,000) of interest capitalised in the year.
** The disposal of investments figure includes £2,105,000 (2019: £1,325,000) funds received that were held in our custodian account at the prior year end and is net of exit fees incurred of £2,442,000 (2019: £1,723,000).

The notes on pages 58 to 81 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies

a. Basis of preparation
BGF Group Plc, (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies have been applied consistently to all periods presented in these financial statements.

The Parent Company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Parent Company financial statements have been applied:

- No separate Parent Company Cash Flow Statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

As the Company prepares consolidated financial statements, it has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 and has therefore not separately disclosed transactions or balances with other wholly owned direct and indirect subsidiaries of BGF Group Plc.

b. Going concern
The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, upon analysis of reasonable scenarios and the anticipated impact of Covid-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

The following factors have been considered as part of the review of cashflow forecasts:

- The Group's funding is supplied by its existing shareholders under an agreement which allows for the issue of share capital up to the value of £2.23bn. As at 31 December 2020 £1.8bn of this had been drawn from shareholders, leaving £429m available to meet the future funding needs of the business. The annual funding requirement is agreed with shareholders as part of the annual budget process and £410m has been approved for 2021.
- The impact of Covid-19 is a significant factor in the assessment of the cash flow forecast. The Directors believe that the diversified portfolio of investments provides meaningful mitigation of any impact yet to be seen.
- The key variables that impact the cashflow of the business are the level of new and follow-on investment and the proceeds received from exits. The impact of changes to these inputs has been modelled and, under all reasonable scenarios, the Directors expect sufficient funding to be available from the existing arrangement with shareholders to meet the cash needs of the business for at least 12 months.
- In the event that forecast deployment might exceed current expectations, the Directors are able to reduce the level of investment activity to keep within the agreed funding limits. This might limit the growth of the business but would not impact the ability to maintain the current level of investment activity.
- Following the year-end we have continued to raise capital with Coutts which we anticipate will contribute a minimum of £50m of co-investment funding for 12 months from closing the deal. In addition to this, the Directors are exploring other opportunities for external funding which would allow the business to expand further if required.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c. Basis of consolidation
The consolidated financial statements include the results for the year ended 31 December 2020 and the assets and liabilities as at 31 December 2020 of all the Company's direct and indirect subsidiaries. Subsidiaries are entities controlled by the Parent Company, directly or indirectly.

The Group has investments which may be regarded as associated undertakings in accordance with FRS 102. As these investments are held as part of an investment portfolio, they have not been consolidated in the accounts of the Group but have been accounted for as investments held at fair value with changes through the profit and loss account.

d. Income
Arrangement fees payable to the Group are recognised in income on completion of the associated investment for services undertaken prior to BGF investment and are not related to the arrangement of a loan note instrument. Annual fees for management of the investments are recognised on an accruals basis.

Income on loan notes and preference shares is calculated using the effective interest method and recognised on an accruals basis. Appropriate provisions are made against this income where the recovery becomes doubtful.

Notes to the financial statements continued
For the year ended 31 December 2020

1. Accounting policies continued

Dividends on equity shares are recognised on the date that the right to receive the income is established.

The revenue relates to services provided in the UK and Ireland and the Directors consider that the services provided in different geographical locations do not differ substantially.

e. Operating expenses
Operating expenses are recorded on an accruals basis.

f. Taxation
Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Group and Company intends to settle on a net basis and the legal right to offset exists. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in the Group and Company and the corresponding amount that can be deducted or assessed for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

g. Financial instruments
Trade and other debtors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

Withholding tax debtor
Interest income receivable is recognised as accrued. Withholding tax on interest income is recognised within debtors to the extent that it is probable that economic benefits will flow to the Group and can be reliably measured.

Trade and other creditors
Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

Accruals and deferred income
Accruals are recognised for expenditure incurred within the year which are anticipated to be settled shortly following the end of the current accounting period. Fees invoiced in advance of services provided are recorded as deferred income and included as part of creditors due within one year.

Accrued interest income
In these financial statements, accrued interest income is recognised within investments or within debtors dependent on when it is anticipated that this is receivable.

Interest anticipated to be received only on exit of an investment is classified within investments due to the long-term nature of its recoverability. Otherwise it is included within debtors and split between amounts falling due within one year or after one year dependent on when the interest is anticipated to be received.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances. Amounts held in the Group's lawyers' bank accounts relating to acquisition of investments which were not completed at the year end are included as a component of cash and cash equivalents. Funds held on account with our custodian at year end are included as a component of cash and cash equivalents.

Financial instruments not considered to be basic financial instruments (other financial instruments)
Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss. Refer to h. Investments for further detail.

h. Investments
The Group makes and holds investments with a view to earning investment income and realising gains on subsequent disposals. Investments by the Group are typically made through a combination of equity shares and unsecured loan notes.

Recognition
The purchase or sale of investments is recognised at the date of completion.

Notes to the financial statements continued
For the year ended 31 December 2020

1. Accounting policies continued

Measurement
Investments are initially and subsequently measured at fair value.

Investments are valued by applying the International Private Equity and Venture Capital Valuation Guidelines (2018), which have been adopted by the British Private Equity and Venture Capital Association.

They are initially recognised at cost, being the best approximation of fair value. They are subsequently recognised at fair value, determined using one of the following methodologies, with changes in fair value being recognised in the profit and loss account within 'net unrealised gain/(loss) on investments'.

1. Earnings multiple (based on comparable quoted multiples and significant third-party transactions);
2. Price of recent investment;
3. Net assets;
4. Discounted cash flows or earnings from the underlying business; or
5. Closing bid price, in the case of quoted investments for which an active market exists.

Any gain or loss on derecognition is recognised in the profit and loss account within 'realised gain/(loss)'.

i. Tangible fixed assets and depreciation
Depreciation is provided by the Group to write off the cost less estimated residual value of tangible fixed assets by instalments on a straight-line basis over their estimated useful economic lives as follows:

Leasehold improvements	– over the lease term
Office equipment	– over the lease term
Computer equipment	– three years

j. Dilapidations provision
A provision is recognised for the cost of dilapidations which are due to be paid when the property lease ends. These are accrued for on a straight-line basis over the life of the lease.

k. Post-retirement benefits
The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

l. LTIP / Minority interest
The Group operates a long-term incentive plan ("the LTIP") via its subsidiary Business Growth Fund Limited. Under this plan, the Group's investments are held by BGF Investments LP or BGF Ventures LP ("the Partnerships"), which are limited partnerships registered in England and Wales. The Partnerships are part of the Group and are administered by BGF GP Limited as General Partner and managed by BGF Investments Management Limited. Employees of the Group who participate in the LTIP are admitted as limited partners of one of the Partnerships.

All investments made by the Group are allocated to an annual vintage within the LTIP based on the calendar year of the investment. If the realised return on a given vintage exceeds a minimum hurdle rate, then the LTIP participants are entitled to a share of those realised returns.

Amounts payable under the LTIP are recognised in the profit and loss account. Any unpaid amounts at the year end are shown in creditors.

The minority interest represents capital contributions made by employees of the Group to BGF Investments LP and BGF Ventures LP in respect of the LTIP.

m. Critical accounting estimates and assumptions
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Board considers that the only areas where management make critical estimates and judgements that may have a significant effect on the financial statements are in relation to the valuation of investments at fair value through profit and loss, which is discussed in detail in Note 9 and the recognition of a deferred tax asset which is discussed in Note 8.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the financial statements continued
For the year ended 31 December 2020

1. Accounting policies continued

I. Fair value of investments
As noted in accounting policy 'h', investments are measured at fair value.

The Board considers that the fair value of investments involves critical accounting estimates and judgements because it is determined by the Directors using valuation methods in accordance with International Private Equity and Venture Capital Valuation Guidelines.

Valuation methods use observable data, to the extent practicable. The determination of what constitutes 'observable' requires significant judgement by the Directors. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

However, the Group also relies on significant unobservable inputs. The selection of these unobservable inputs and assumptions requires significant judgement by the Directors. When applying an Earnings Multiple, the Board uses its best estimate of maintainable earnings; determines the appropriate multiple to use; and discounts are applied to the multiple for marketability, size, quality of earnings and other relevant factors as appropriate. Some of the Earlier Stage investments may not have sufficient earnings to be valued on this basis. In this case, they are valued using a recent round of financing (including the initial investment by the Partnership) as the basis for the enterprise value. The enterprise value is then adjusted to reflect progress against key milestones in the development of the investment.

Furthermore, changes in these inputs and assumptions could affect the reported fair value of financial instruments. Therefore, the valuation of these investments is an estimate.

II. Deferred tax assets
As stated in accounting policy 'f', a deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available to utilise the temporary timing differences. Significant judgements on the likely timing and amount of future taxable profits are required to measure the Group's deferred tax balance. Note 8 provides further detail on the Group's deferred tax assets.

2. Investment income

	2020 £'000	2019 £'000
Dividend income – investee companies	13,102	9,999
Loan note interest – investee companies	56,313	55,858
Arrangement fee income	4,811	4,708
Annual fee income	8,651	8,441
Other income	3,041	2,229
Total	85,918	81,235

3. Operating expenses

	2020 £'000	2019 £'000
Staff costs	36,363	33,405
Premise costs	3,583	3,312
Marketing costs	1,372	1,882
IT costs	1,864	1,752
Professional fees	1,808	1,407
Other costs	4,886	5,533
Total	49,876	47,291

Included within other costs is the auditor's remuneration as follows: £31,000 (2019: £30,500) for the audit of these financial statements; £210,000 (2019: £176,150) for the audit of the subsidiaries of the Company; £39,000 (2019: £23,350) for other audit-related assurance services; and £nil (2019: £nil) for non-audit services.

Notes to the financial statements continued
For the year ended 31 December 2020

4. Staff costs

The average number of persons employed by the Group (including Directors) during the period, analysed by category, was as follows:

	2020	2019
Non-Executive Directors	7	9
Executive Committee	6	8
Investment staff	115	107
Support staff	57	49
Total	185	173

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages and salaries	29,143	27,928
Amounts paid under the LTIP	1,096	36
Social security costs	4,387	3,821
Other pension costs	1,737	1,620
Total staff costs	36,363	33,405

At 31 December 2020, the total number of staff (including Non-Executive Directors) was 183 (2019: 179).

As part of the annual performance appraisal and remuneration reviews, employees may be offered a number of points in return for the employee making a capital contribution to the LTIP. These points entitle them to a share of the returns allocated to the LTIP and vest over a number of years subject to the participant remaining in employment with the Group. The operation of the LTIP was approved by the Board of Directors and any points allocated to members of the Executive Committee are reviewed by the Remuneration Committee and the Board of Directors.

5. Directors' remuneration

The emoluments of the Directors in respect of the year ended 31 December 2020 were as specified below:

	2020 £'000	2019 £'000
Directors' remuneration	3,003	2,292
Amounts paid under the LTIP	216	11
Other benefits	6	7
Total remuneration	3,225	2,310

The aggregate of remuneration and amounts receivable, reflecting in 2020 payments under the LTIP, of the highest paid Director was £1,328,000 (2019: £1,183,000), and other benefits of £4,000 (2019: £6,000).

6. Interest receivable

	2020 £'000	2019 £'000
Interest on bank deposits	62	287
Other interest receivable	16	20
Total	78	307

7. Realised capital transactions

	2020 £'000	2019 £'000
Proceeds received	228,360	130,152
Exit fees	(2,442)	(1,723)
Fair value	(181,410)	(102,704)
Net realised gain	44,508	25,725

Proceeds received includes £23,088,000 (2019: £6,514,000) of recycled investment retained on exits completed in the year.

An accrual for £15,200 (2019: £nil) has been included within exit fees for expenses yet to be incurred and paid by BGF at the year end.

Notes to the financial statements continued
For the year ended 31 December 2020

8. Taxation

a. Analysis of tax charge in the period

	2020 £'000	2019 £'000
UK corporation tax (Note 8(b))	17	(1,293)
Deferred tax prior year adjustment	–	1,713
Origination and reversal of timing differences	3,095	(641)
Impact of changes in statutory tax rate	(1,314)	(27)
Tax charge/(credit) for the period	1,798	(248)

b. Factors affecting the tax charge for the period

	2020 £'000	2019 £'000
Profit on ordinary activities before taxation	346,079	112,884
Corporation tax at 19.00% (2019: 19.00%)	65,755	21,448
Effect of:		
Non-taxable income	(15,095)	(2,271)
Disallowed administrative expenses	299	472
Depreciation in excess of capital allowances	–	(213)
Fixed assets ineligible depreciation	47	–
Non-taxable investment revaluations	(49,702)	(19,853)
Excess management expenses carried forward	(2,682)	2,532
Substantial shareholding exemption and other reliefs	(17,101)	116
Partnership income and gains	1	61
Chargeable gains	20,041	–
Other permanent differences	–	(1,263)
Adjustments in respect of prior periods	(1,533)	(2,311)
Foreign permanent establishment exemption	(13)	(11)
Tax charge for the period (Note 8(a))	17	(1,293)

c. Deferred tax

	Balance Sheet		Income Statement	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed asset timing differences	(411)	(223)	(189)	(159)
Losses available for offset against future taxable income	11,006	12,096	(1,090)	(589)
Other short-term timing differences	(1,204)	(703)	(501)	(298)
Total deferred tax asset	9,391	11,170	(1,781)	(1,046)

In the Spring Budget on 11 March 2020, the Government announced that from 1 April 2020 the main rate of UK corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. This rate has been used to calculate the deferred tax assets and liabilities as at the year end.

In the Spring Budget 2021 the Government announced that from 1 April 2023 the main rate of UK corporation tax rate would increase to 25%. This will have a consequential effect on the Group's future tax charge. If this rate had been substantively enacted at the current balance sheet date, the deferred tax asset would have increased by £2,965,000.

The Finance (No.2) Act 2017 introduced various amendments to tax exemptions which apply to exempt capital gains and losses realised by companies on disposal of certain substantial shareholdings. The changes which apply to disposals on or after 1 April 2017, may mean that profits realised by the Group on certain disposals may be exempt from corporation tax.

It is not considered that the widening of the corporation tax exemption on disposal of substantial shareholdings by the Group would have a material impact on the deferred tax assets of the Group in relation to tax losses as the Group will continue realising profits on disposals of its investments which would be subject to corporation tax and would not be exempt.

Separately, the Finance (No.2) Act 2017 introduced various reforms which restrict the availability of certain brought forward losses. It is not considered that the reforms which restrict the availability of certain brought forward losses would have a material impact on the deferred tax assets of the Group in relation to tax losses as it is not considered that, due to the size of the carried forward losses, there would be any material impact on the Group.

Notes to the financial statements continued
For the year ended 31 December 2020

9. Investments

Group	Equity £'000	Preference shares £'000	Loan notes £'000	Accrued interest £'000	Total £'000
Opening book cost	898,276	21,778	707,650	15,808	1,643,512
Opening unrealised surplus/(deficit)	103,526	849	(84,630)	–	19,745
Opening valuation at 1 January 2020	1,001,802	22,627	623,020	15,808	1,663,257
New investments	268,489	2,187	131,044	–	401,720
Conversions	15,762	50	(15,812)	–	–
Realisations / redemptions	(117,226)	–	(64,184)	–	(181,410)
Net movement on accrued interest	–	–	–	(227)	(227)
Valuation movement	304,697	(14,738)	(24,507)	–	265,451
Foreign exchange movement	35	–	25	–	61
Closing valuation at 31 December 2020	1,473,559	10,126	649,586	15,581	2,148,852
Represented by:					
Closing book cost	1,081,232	24,015	727,721	15,581	1,848,549
Closing unrealised surplus/(deficit)	392,327	(13,889)	(78,135)	–	300,303
Closing valuation at 31 December 2020	1,473,559	10,126	649,586	15,581	2,148,852

During the year the Group made investments in 61 (2019: 45) new companies, 28 (2019: 17) exits were realised and a further 6 (2019: 1) investments recognised through spin-outs from existing portfolio companies, bringing the total live portfolio to 297 (2019: 258) companies.

New investments include £10,196,000 (2019: £5,185,000) of interest capitalised during the year, £23,088,000 (2019: £6,514,000) of recycled investment retained on exits completed in the year and £nil (2019: £1,988,000) of funds held with our custodian, received post year end.

All investments are designated as fair value through profit or loss at initial recognition, therefore all gains and losses arising go through profit or loss. The closing unrealised surplus of £300,303,000 (2019: surplus of £19,745,000) consists of an unrealised loss against the value of 108 (2019: 106) investments totalling £280,134,000 (2019: £281,761,000) and an unrealised gain against 144 (2019: 127) investments totalling £580,437,000 (2019: £301,506,000).

An analysis of investments valued at fair value based on the reliability and significance of the information used to measure their fair value is shown below. The level is determined by the lowest (least reliable or independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety.

The Group's investments are valued according to the following classifications:

Level 1 – investments whose fair value is obtained directly from quoted share prices.

Level 2 – investments whose fair value is determined using a valuation technique basis for which the lowest level input that is significant to the fair value measurement is supported by observable current market prices or based on observable data.

Level 3 – investments whose fair value is determined using a valuation for which the lowest level input that is significant to the fair value measurement is not supported by observable current market prices or based on observable market data.

The split of the closing valuation is:

Group	2020 £'000	2019 £'000
Level 1	307,177	202,587
Level 3	1,841,675	1,460,670
Total	2,148,852	1,663,257

There were no transfers between levels during the year.

The Directors do not consider that changes in individual unobservable inputs would have a significant impact on the fair value of the level 3 investments. Refer to Note 20 for sensitivity analysis due to market risk.

Notes to the financial statements continued
For the year ended 31 December 2020

10. Investment in Group entities

Company	2020 £'000	2019 £'000
Investment in subsidiary undertakings	1,157,855	1,157,855
Total	1,157,855	1,157,855

11. Tangible fixed assets

Group	Leasehold improvements £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
As at 1 January 2020	7,102	1,342	1,444	9,888
Additions	2,446	164	146	2,756
Disposals	–	(2)	(34)	(36)
As at 31 December 2020	9,548	1,504	1,556	12,608
Accumulated depreciation				
As at 1 January 2020	1,423	322	1,040	2,785
Charge for the period	942	133	212	1,287
Released on disposal	–	(2)	(33)	(35)
As at 31 December 2020	2,365	453	1,219	4,037
Net book value				
As at 1 January 2020	5,679	1,020	404	7,103
As at 31 December 2020	7,183	1,051	337	8,571

There are no assets held under finance leases.

12. Debtors

	2020 Group £'000	2020 Company £'000	2019 Group £'000	2019 Company £'000
Trade debtors	3,969	–	3,195	–
Interest income receivable	50,653	–	39,924	–
Other debtors	155	–	2,413	–
Amounts due from Group companies	–	657,523	–	492,806
Withholding tax debtor	14,755	–	17,080	–
Prepayments and accrued income	1,367	–	1,186	–
Taxation	1,427	–	2,678	–
Deferred tax asset	9,391	–	11,170	–
Total	81,717	657,523	77,646	492,806

Amounts falling due after more than one year included above are:

	2020 Group £'000	2020 Company £'000	2019 Group £'000	2019 Company £'000
Interest income receivable	37,687	–	24,463	–
Total	37,687	–	24,463	–

13. Creditors: amounts falling due within one year

	2020 Group £'000	2020 Company £'000	2019 Group £'000	2019 Company £'000
Trade creditors	1,127	–	1,624	–
Taxation and social security	769	–	881	–
Pensions payable	6	–	124	–
Other	–	–	50	–
Amounts owed to Group companies	–	25	–	–
Deferred income	2,310	–	2,139	–
Accruals	14,999	–	14,881	–
Total	19,211	25	19,699	–

Notes to the financial statements continued
For the year ended 31 December 2020

14. Provisions

Group	2020 £'000 Dilapidations	2020 £'000 Total
Balance at 1 January 2020	223	223
Provisions made during the year	107	107
Provisions released during the year	(24)	–
Balance at 31 December 2020	306	330

Group	2019 £'000 Dilapidations	2019 £'000 Total
Balance at 1 January 2019	304	304
Provisions made during the year	39	39
Provisions used during the year	(120)	(120)
Balance at 31 December 2019	223	223

15. Share capital

Group and Company	2020 £'000	2019 £'000
Authorised, allotted, called up and fully paid		
1,800,629,000 (2019: 1,642,129,000) Ordinary shares of £1 each	1,800,629	1,642,129
Total	1,800,629	1,642,129

During the year the Group issued 158,500,000 £1 Ordinary shares, settled in cash.

16. Minority interest

	2020 £'000
As at 1 January 2020	96
Investment in subsidiary undertakings	10
As at 31 December 2020	106

	2019 £'000
As at 1 January 2019	74
Investment in subsidiary undertakings	22
As at 31 December 2019	96

The minority interest represents capital contributions made by employees of the Group to BGF Investments LP and BGF Ventures LP in respect of the LTIP as disclosed in Note 1(l). This amount includes £4,893 (2019: £4,793) contributed by the highest paid Director and £2,186 (2019: £2,086) by other Directors.

17. Reserves

Group	Retained earnings £'000	Total £'000
As at 1 January 2020	140,175	140,175
Profit on ordinary activities for the year (after taxation)	344,281	344,281
As at 31 December 2020	484,456	484,456

Group	Retained earnings £'000	Total £'000
As at 1 January 2019	27,043	27,043
Gain on ordinary activities for the year (after taxation)	113,132	113,132
As at 31 December 2019	140,175	140,175

Notes to the financial statements continued
For the year ended 31 December 2020

Company	Retained earnings £'000	Total £'000
As at 1 January 2020	8,532	8,532
Gain on ordinary activities for the year (after taxation)	6,192	6,192
As at 31 December 2020	14,724	14,724

Company	Retained earnings £'000	Total £'000
As at 1 January 2019	4,017	4,017
Gain on ordinary activities for the year (after taxation)	4,515	4,515
As at 31 December 2019	8,532	8,532

18. Commitments

As at 31 December 2020, the Group had capital commitments of £283,500 (2019: £741,000) in relation to premise fit-out costs.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings	
Group	2020 £'000	2019 £'000
Amounts payable:		
Within one year	1,797	1,680
In two to five years	7,091	6,658
In over five years	4,208	5,217

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

As at 31 December 2020, the Group had committed to additional funding totalling £8,315,000 (2019: £26,061,000) to four (2019: 12) investees, being payable subject to the achievement of various commercial milestones.

19. Related party transactions

The Group has placed cash deposits with Barclays Bank plc, which is a member of a group including one of the Company's shareholders. The interest receivable from these deposits was £62,000 (2019: £287,000) during the period. The balance on deposit at the period end was £59,018,000 (2019: £53,303,000). All transactions have been made on an arm's length basis.

During the year, BGF Limited made capital contributions to BGF Investments LP of £50,000 (2019: £50,000) and BGF Ventures LP of £102,000 (2019: £nil). BGF Investments LP and BGF Ventures LP have been set up to provide long-term incentive to staff members. As limited partnerships, BGF Investments LP and BGF Ventures LP do not have issued share capital.

Additionally, BGF Limited advanced long-term loans to BGF Investments LP and BGF Ventures LP to fund the purchase of the Group's investments. These loans are repayable out of the proceeds of these investments and have no fixed repayment schedule. The balances remaining payable on these loans at year end were £1,409,018,664 (2019: £1,291,560,244) and £49,809,526 (2019: £57,498,148) respectively.

At as 31 December 2020 BGF Group Plc has intercompany balances with other entities within the Group: BGF Limited £657,450,884 (2019: £492,805,926); BGF Services £25,100 (2019: £100); BGF Nominees £100 (2019: £100); BGF Investment Management £72,208 (2019: £nil); BGF General Partner £1 (2019: £1); BGF Ireland General Partner £1 (2019: £1); and BGF Life Sciences General Partner £1 (2019: £nil).

Another of the Company's shareholders, RBS SME Investments Limited, has also invested in BGF Ireland 1A LP which invests alongside BGF in Ireland and is managed by BGF Investment Management Limited.

During the year RBS SME Investments Limited contributed €134,000 (2019: €76,000) towards priority profit share paid to BGF and invested €605,000 (2019: €136,000) into Irish investments via BGF Ireland 1A LP.

Notes to the financial statements continued
For the year ended 31 December 2020

20. Market risk

Market risk embodies the potential for losses on investments.

The management of this risk is dealt with through the portfolio management process and is in line with typical unquoted equity investment. Investment in smaller quoted companies (AIM), unquoted equity and loans is, by its nature, exposed to a higher degree of risk than investment in larger quoted or listed assets. The Group mitigates this risk by maintaining a diverse portfolio across various business sectors and asset classes.

The uncertainty around Brexit and Covid-19 has increased the level of market risk, however we remain confident that UK SMEs will continue to invest in growth and seek out opportunities here and abroad. The Directors will oversee our investment strategy in light of this and we will adjust accordingly if any rebalancing of our portfolio is required to mitigate this risk.

Price risk
Substantially all of the Group's investments are in unquoted companies held at fair value. Valuation methods include the use of earnings multiples derived from similar listed companies or recent comparable transactions.

A 5% increase in the valuation of unquoted investments at 31 December 2020 would have resulted in an increase to shareholders' funds of £91,910,000 (2019: £73,034,000). A 5% decrease in valuations would have decreased shareholders' funds by an equal amount.

A 10% decrease would have resulted in a reduction to shareholders' funds of £183,820,000 (2019: £146,067,000). A broader sensitivity has been demonstrated here due to the ongoing uncertainty around the impact of Covid-19.

Interest rate risk
The Group has a number of fixed rate interest bearing financial assets. Consequently, the Group is exposed to fair value interest rate risk arising from variations in the prevailing level of market interest rates.

	Total Portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
Group	2020 £'000	2019 £'000	2020 %	2019 %	2020 Days	2019 Days
Loan stock						
– exposed to fixed interest rate risk	727,721	707,650	9.66	9.38	1,589	1,790

As at 31 December 2020, the Group has cash balances of £59,018,000 (2019: £53,303,000) on deposit. Interest on these deposits is variable at LIBOR less 0.30%.

21. Significant accounting estimates and judgements

The Directors make judgements and estimates concerning the future. Estimates and judgements are continually evaluated based on historical experience and other factors, such as expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have the most significant effects on the carrying amounts of the assets and liabilities in the financial statements are in relation to the valuation of unquoted equity and debt instruments.

The Group's accounting policy in respect of the valuation of the unquoted equity investments is set out in Note 1. In applying this policy, the key areas over which judgement are exercised include:

- The relevance of the price of recent investment, or proposed exit offer as an input to fair value.
- In the case of investments with complex capital structures, the appropriate methodology for assigning value to different classes of equity or debt instruments based on their different economic rights.
- The application of discounts/premiums within valuation models to market-based comparable multiples, or in the case of earlier-stage investments, the progress against performance milestones.
- The level of maintainable earnings and net debt used within valuations models.
- Consideration of whether a funding round is sufficiently arm's length to be representative of fair value.

In all cases valuations are based on the judgement of Directors after consideration for the above and upon available information believed to be reliable, which may be affected by the financial markets. Due to the inherent uncertainty of the investment valuations, the estimated values may differ from the values that would have been used had a ready market for the investment existed, and the differences could be material.

22. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet an obligation or commitment that it has entered into with the Group. The maximum credit risk exposure at the balance sheet date is best represented by the carrying value of cash held at third parties, loan stock investments into third parties and interest, dividends and other receivables from third parties.

Notes to the financial statements continued
For the year ended 31 December 2020

22. Credit risk continued

As at 31 December 2020, the Group had the following credit risk exposure:

	2020 Group £'000	2019 Group £'000
Cash at bank and on hand	65,569	54,316
Loan stock	727,721	707,650
Interest, dividends and other receivables	84,960	76,040
Total	878,250	838,006

The cash of the Group is held by Barclays Bank plc (£59,784,000), Bank of Ireland (£1,000) and a custodian (£5,784,000). As at 31 December 2020, £nil (2019: £nil) was held in the Group's lawyers' bank accounts prior to completion of an investment. The Company monitors the credit quality and financial position of Barclays and Bank of Ireland regularly and would seek to move the cash holdings if this position deteriorated.

The Group has exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks behind any bank debt that an investee company may have. The Board manages credit risk by ensuring management accounts are received from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies, enabling the close identification, monitoring and management of investment-specific credit risk.

23. Liquidity risk

The Group's financial instruments include investments in unquoted equity investments which are not traded on a recognised public market and which are generally illiquid. As a result, the Group may not be able to quickly liquidate some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements.

The Group and Company mitigates this risk by maintaining sufficient investments in cash to pay any short-term liabilities. In addition, the Company can issue new share capital in accordance with the Master Subscription Agreement with its shareholders. This additional share capital is available to fund both investment and operational expenditure.

24. Subsequent events

There are no subsequent events which the Board considers would have a material impact on the users of the financial statements.

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings

a. Subsidiaries
Subsidiaries are all entities over which the Company has control. Control is defined as the rights to direct relevant activities of an entity so as to obtain benefits from its activities. This generally results from a shareholding of more than 50% of voting rights.

The direct and indirect subsidiaries of BGF Group Plc as at 31 December 2020 and the percentage of equity capital are set out below.

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
BGF Services Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	100	100	100
BGF Investments LP	13-15 York Buildings, London, WC2N 6JU	Indirect	Ordinary	Partnership Interest	–	–
BGF Nominees Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	100	100	100
BGF Ventures LP	13-15 York Buildings, London, WC2N 6JU	Indirect	Ordinary	Partnership Interest	–	–
BGF Ireland Nominees	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1
BGF Ireland GP Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1
Business Growth Fund Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1,157,129,000	100	1,157,129,000
BGF GP Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1
BGF Investment Management Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	5,000	100	5,000
BGF Life Sciences 1 GP Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1

b. Significant holdings in undertakings other than subsidiary holdings
Under section 409 of the Companies Act 2006, BGF is required to disclose specified details of all its related undertakings including significant holdings.

The significant holdings in undertakings of BGF are investments carried at fair value through profit and loss, in which BGF's holding amounts to 20% or more of the nominal value of any class of shares in the undertaking.

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

The significant holdings in undertakings of BGF Group Plc at the end of the year are set out below.

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
365 Response Limited	Unit 4, Benton Office Park, Bennett Avenue, Horbury, Wakefield, West Yorkshire, WF4 5RA	Indirect	A Ordinary shares of £0.01 each	7,875	100	79
A Wilderness Way Group Limited	Stoneybeck Bowscar, Penrith, Cumbria, CA11 8RP	Indirect	A1 Ordinary shares of £1 each	2,414,773	97	2,414,773
Aceleron Limited	22 Gas Street, Birmingham, B1 2JT	Indirect	A1 Ordinary shares of £0.000002 each	800,454	72	2
Action Integrated Security Services (AISS) Limited	Unit C1, Three Rock Road, Sandyford Business Park, Dublin 18, D18 N9P6	Indirect	A Ordinary shares of €0.01 each	850,476	100	8,505
AFG Media Ltd	Ground Floor, The Tun, 6-8 Jackson's Entry, Edinburgh, Scotland, EH8 8PJ	Indirect	A Ordinary of £0.00005 each	16,157	100	1
Agile Spray Response Limited	c/o Milsted Langdon LLP, New Broad Street House, London, EC2M 1NH	Indirect	A Ordinary shares of £0.00001 each	400	100	0
Amazon Filters Limited	Albany Park Estate, Frimley Road, Camberley, Surrey, GU16 7PG	Indirect	A1 shares of £0.10 each	333,300	100	33,330
Amdaris Group Limited	Aurora Studio A, Counterslip, Bristol, Avon, BS1 6BX	Indirect	B Ordinary shares of £0.01 each	30,000	100	300
ANDigital Ltd	1 Bell Street, Maidenhead, Berkshire, SL6 1BU	Indirect	B Ordinary shares of £0.01 each	1,812,933	100	18,129
Anstey Horne & Co Limited	4 Chiswell St, London, London, EC1Y 4UP	Indirect	A Ordinary shares of £1 each	3,527	100	3,527
Apex Housing Group Limited	33 Robert Adam Street, London, England, W1U 3HR	Indirect	A1 Ordinary shares of £0.01 each	5,266	100	53
Apex Housing Group Limited	33 Robert Adam Street, London, England, W1U 3HR	Indirect	A Ordinary shares of £0.01 each	30,000	100	300
Appnovation Technologies Holdings Corp	10 John Street, London, WC1N 2EB	Indirect	Class B Preferred shares	5,022,097	100	5,000,000
Appnovation Technologies Holdings Corp	10 John Street, London, WC1N 2EB	Indirect	Class E Preferred shares	429,688	100	427,797
Arc Trinova Limited	Taylor Drive, Alnwick, Northumberland, NE66 2DH	Indirect	A Ordinary shares of £0.01 each	2,390	100	24
Art-Line Limited	Trading As Cass Art, 66-67 Colebrooke Row, Islington, London, N1 8AB	Indirect	A Ordinary of £0.000001 each	1,594,690	100	2
Aubin Ltd	13 Queens Road, Aberdeen, United Kingdom, AB15 4YL	Indirect	A Ordinary of £1 each	2,269	100	2,269
Bayfields Group Limited	The Fold Home Farm, The Avenue, Esholt, Shipley, West Yorkshire, BD17 7RH	Indirect	A Ordinary shares of £0.01 each	2,200	100	22
BB7 Group Limited	No. 23 Star Hill, Rochester, Kent, United Kingdom, ME1 1XF	Indirect	A Ordinary shares of £0.01 each	2,150	100	22
BCC Risk Advisory Ltd	Dublin Road, Ashbourne	Indirect	A Ordinary shares of €0.0001 each	80	100	0
BCC Risk Advisory Ltd	Dublin Road, Ashbourne	Indirect	A Ordinary shares of €1 each	1,243	100	0
BF1 Solutions Limited	Technical Centre Owen Road, Diss, Norfolk, IP22 4ER	Indirect	A Ordinary shares of £0.01 each	19,092	100	191
Blue Light Card Ltd	Registry House, 202 Ashby Road, Loughborough, Leicestershire, England, LE11 3AG	Indirect	A Ordinary shares of £0.10 each	2,160	100	216

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Bob & Berts Group Ltd	Keith Dinsmore Accountants, 15 Duke Street, Ballymena, County Antrim, United Kingdom, BT43 6BL	Indirect	A Ordinary shares of £1	2,346	100	2,346
Bramble Energy Limited	6 Satellite Business Village, Fleming Way, Crawley, London, RH10 9NE	Indirect	A Ordinary shares of £0.001 each	16,725	39	17
Broadband Satellite Services Limited	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	C Ordinary shares of £1 each	9,971	100	9,971
Broadband Satellite Services Limited	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	A Ordinary shares of £1 each	21,891	100	21,891
Burrington Estates (Commercial Developments) Limited	Dean Clarke House, Southernhay East, Exeter, Devon, EX1 1AP	Indirect	A Ordinary shares of £1 each	2	100	2
Buy It Direct Ltd	Unit A Trident Business Park, Leeds Road, Huddersfield, West Yorkshire, HD2 1UA	Indirect	A Ordinary shares of £0.01 each	17,920	100	179
BVG Group Limited	3rd Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG	Indirect	Preferred Ordinary shares of £0.01 each	24,734	100	247
Cambridge Respiratory Innovations Limited	2a Chequers Court, Huntingdon, PE29 3LJ	Indirect	A Ordinary shares of £0.0001 each	189,107	50	19
Caristo Diagnostics Limited	New Barclay House Botley Road, Oxford, Oxfordshire, OX2 0HP	Indirect	Ordinary shares of £0.001 each	45,478	43	45
Cashewglen Limited	Century House, Harold's Cross Road, Harold's Cross, Dublin 6W, Ireland	Indirect	A Ordinary shares of €0.000001 each	10,866,203	100	11
Celaton Limited	Noble House, Capital Drive, Milton Keynes, Buckinghamshire, MK14 6QP	Indirect	Preference shares of £0.001 each	1	100	0
Celaton Limited	Noble House, Capital Drive, Milton Keynes, Buckinghamshire, MK14 6QP	Indirect	B Ordinary shares of £0.01 each	77,777	100	778
Cennox Holdings Limited	Units 11 & 12 Admiralty Way, Camberley, Surrey, GU15 3DT	Indirect	A Ordinary of £1 each	48,155	100	48,155
Chase Distillery (Holdings) Ltd	Rosemaund Farm, Preston Wynne, Hereford, Herefordshire, United Kingdom, HR1 3PG	Indirect	A Ordinary shares of £0.00001 each	9,884,998	100	99
China Industries Ltd	Creative Industries Centre, Wolverhampton Science Park, Wolverhampton, West Midlands, WV10 9TG	Indirect	Deferred shares of £1 each	5,224	89	5,224
Christopher Ward (London) Holdings Ltd	1 Park Street, Maidenhead, Berkshire, SL6 1SL	Indirect	A Ordinary shares of £1 each	550	100	550
Christopher Ward (London) Holdings Ltd	1 Park Street, Maidenhead, Berkshire, SL6 1SL	Indirect	Deferred shares of £1 each	75,000	100	75,000
CHS Healthcare Holdings Limited	1 Wrens Court, 53 Lower Queen Street, Sutton Coldfield, West Midlands, United Kingdom, B72 1RT	Indirect	A Ordinary shares of £0.01 each	3,535	100	35
Circul8 Limited	56 Craigmore Road Garvagh, Coleraine, United Kingdom, BT51 5HF	Indirect	Ordinary shares of £0.01 each	2,684	45	27

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Cirrus Response Limited	Kirkgate 19-31 Church Street, Epsom, Surry, Epsom, London, KT17 4PF	Indirect	A Ordinary shares of £1 each	6,500,000	100	6,500,000
Click Holdings Ltd	Alpha Tower, Suffolk Street Queensway, Birmingham, West Midlands, B1 1TT	Indirect	D Ordinary shares of £0.01 each	92	100	1
Cobra Holdco Limited	Castlebridge, Quebec House, 4 Cowbridge Road East, Cardiff, South Glamorgan, CF11 9AB	Indirect	A Ordinary shares of £0.01 each	56,635	100	566
Collision Management Systems Limited	Ellacotts LLP, Countrywide House, 23 West Bar Street, Banbury, Oxfordshire, OX16 9SA	Indirect	A Ordinary shares of £0.002 each	155,052	100	310
Coppergreen Developments Limited	Beeley House Unit 26 Wharncliffe Industrial Complex, Station Road, Deepcar, Sheffield, S36 2UZ	Indirect	A Ordinary shares of £0.0001 each	963,966	100	96
Cornwall Insight Group Limited	Level 3 The Union Building, 51-59 Rose Lane, Norwich, England, NR1 1BY	Indirect	A Ordinary shares of £1 each	2,200	100	2,200
Crepeaffaire Holdings Limited	Pennant House 1-2 Napier Court, Napier Road, Reading, United Kingdom, RG1 8BW	Indirect	A Ordinary shares of £0.01 each	1,281,440	100	12,814
Croom Precision Tooling Limited	Garranroe, Patrickswell, Limerick, Ireland	Indirect	A Ordinary shares of €0.0125 each	15,033	100	188
Crossco (1370) Limited	Windermere Mrf, Thomlinson Road, Hartlepool, TS25 1NS	Indirect	A Ordinary shares of £1 each	72,000	100	72,000
CS Foods Group Limited	Cooplands Bakery Caxton Way, Eastfield, Scarborough, North Yorkshire, United Kingdom, YO11 3YT	Indirect	A Ordinary shares of £1 each	5,570	100	5,570
CS Law Limited	1330 Montpellier Court, Gloucester Business Park, Gloucester, United Kingdom, GL3 4AH	Indirect	A Ordinary shares of £1 each	10,000	100	10,000
CSN Care Group Limited	160 West George Steet, Glasgow, Glasgow, G2 2HG	Indirect	A Ordinary shares of £0.01 each	3,194	100	32
CurrentBody.com	Unit D6 Commercial Avenue Stanley Green Industrial Estate, Cheadle Hulme, Cheadle, Cheshire, England, SK8 6QH	Indirect	I Ordinary shares of £0.01 each	1,577	100	16
CurrentBody.com	Unit D6 Commercial Avenue Stanley Green Industrial Estate, Cheadle Hulme, Cheadle, Cheshire, England, SK8 6QH	Indirect	J1 Ordinary shares of £0.01 each	1,577	50	16
Custom Materials Ltd	1 London Wall, London, London, EC2Y 5EB	Indirect	B1 Ordinary shares of £0.0001 each	25,109	31	3
Datum360 Limited	Flat B, 6 Princes Street, Inverurie, Aberdeenshire, AB51 4TA	Indirect	A Ordinary shares of £0.000333 each	695,670	100	232
Definigen Limited	Moneta Building, Babraham Hall, Babraham, Cambridge, Cambridgeshire, CB22 3AT	Indirect	Series A shares of £0.0001 each	27,778	62	3
DevOpsGroup Ltd	Capital Tower, Greyfriars Road, Cardiff, Wales, CF10 3AG	Indirect	B Ordinary shares of £0.00005 each	763,702	100	38
Dianomi Limited	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Indirect	A Ordinary shares of £0.01 each	10,361	100	104
Dodadine Limited	Unit 13 The Heathrow Estate, Silver Jubilee Way, Hounslow, England, TW4 6NF	Indirect	B Preferred Ordinary shares of £6.3816 each	423,091	100	2,699,998

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Dolphin Homes (Holdings) Limited	3000a Parkway, Whiteley, Hampshire, United Kingdom, PO15 7FX	Indirect	A Ordinary shares of £1 each	4,675	100	4,675
East Sussex Press Limited	Beacon House, Brambleside, Uckfield, East Sussex, TN22 1PL	Indirect	A Ordinary shares of £0.01 each	390,000	100	3,900
EEL Holdings Ltd	Unit 3 Arlington Court Cannel Row, Silverdale, Newcastle-Under-Lyme, Staffordshire, United Kingdom, ST5 6SS	Indirect	A Ordinary shares of £0.01 each	7,380	100	74
Elements Talent Solutions Limited	4th Floor 32 Jamestown Road, London, United Kingdom, NW1 7BY	Indirect	A Ordinary shares of 0.4p each	375,250	100	1,501
Entier Ltd	The Olive House Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire, Scotland, AB32 6UF	Indirect	A1 Ordinary shares of £1 each	181,759	100	181,759
European Braking Systems Limited	Unit 3, Westpoint Enterprise Park, Clarence Avenue, Trafford Park, Manchester, M17 1QS	Indirect	A Ordinary shares of £1 each	9,443	100	9,443
EVGH Limited	East Suite Brimscombe Port Business Park, Brimscombe, Stroud, Gloucestershire, England, GL5 2QQ	Indirect	A Ordinary shares of £0.01 each	530,210	100	5,302
EVGH Limited	East Suite Brimscombe Port Business Park, Brimscombe, Stroud, Gloucestershire, England, GL5 2QQ	Indirect	Ordinary shares of £0.01 each	1,135,793	100	11,358
EVGH Limited	East Suite Brimscombe Port Business Park, Brimscombe, Stroud, Gloucestershire, England, GL5 2QQ	Indirect	Deferred Ordinary shares of £0.01 each	52,490,790	100	524,908
Evo Holdco Limited	Units 5-8 Paramount Business Park, Wilson Road, Liverpool, England, L36 6AW	Indirect	A Ordinary shares of £1 each	42,999	100	42,999
Evoke Creative (Holdings) Limited	Unit 6 And 7 Power Station Business Park, Thermal Road, Wirral, Bromborough, England, CH62 4YB	Indirect	A2 Ordinary shares of £0.01 each	41,438	100	414
Evoke Creative (Holdings) Limited	Unit 6 And 7 Power Station Business Park, Thermal Road, Wirral, Bromborough, England, CH62 4YB	Indirect	A1 Ordinary shares of £0.01 each	120,709	100	1,207
FCG Worldwide Limited	20 St. Thomas Street, London, United Kingdom, SE1 9BF	Indirect	A Ordinary shares of £0.01 each	31,101	100	311
Firefly Learning Ltd	100 Cambridge Grove, London, England, W6 0LE	Indirect	A Ordinary shares of £0.0001 each	213,542	68	21
Firefly Learning Ltd	100 Cambridge Grove, London, England, W6 0LE	Indirect	C Ordinary shares of £0.0001 each	78,952	27	8
Fleetondemand Ltd	Unit 5 Ashley Lane, Shipley, West Yorkshire, England, BD17 7DB	Indirect	G1 Ordinary shares of £0.001 each	3,095	100	3
Fleetondemand Ltd	Unit 5 Ashley Lane, Shipley, West Yorkshire, England, BD17 7DB	Indirect	A Ordinary shares of £0.001 each	29,418	100	29
Flowline Limited	Rawreth Industrial Estate, Rawreth Lane, Rayleigh, Essex, United Kingdom, SS6 9RL	Indirect	A Ordinary shares of £1 each	18,617	100	18,617
Fluidic Analytics Limited	Unit A The Paddocks Business Centre, Cherry Hinton Road, Cambridge, United Kingdom, CB1 8DH	Indirect	Series B shares	135,684	25	1,357

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
FOD Mobility Group Limited	Unit 5 Ashley Lane, Shipley, West Yorkshire, England, BD17 7DB	Indirect	F Ordinary shares of £0.001 each	3,713	100	4
Frontrow Energy Technology Group Limited	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, Scotland, AB10 1DQ	Indirect	A Ordinary shares of £0.000285714285714 each	3,500,000	100	1,000
Furniture Village Holdings Ltd	258 Bath Road, Slough, Berkshire, SL1 4DX	Indirect	A Ordinary shares of £1 each	237,752	100	237,752
Gaist Holdings Limited	D48 Knowledge Business Centre Infolab 21, Lancaster University, Lancaster, Lancashire, England, LA1 4WA	Indirect	A Ordinary shares of £0.01 each	4,501	100	45
Garrison Technology Limited	117 Waterloo Road, London, England, SE1 8UL	Indirect	A2 Preferred Ordinary shares of £0.000025 each	894,855	34	22
Genflow Universe Limited	15-19 Bloomsbury Way, London, London, WC1A 2BA	Indirect	A Ordinary shares of £0.10 each	358,870	100	35,887
Giggling Restaurants Ltd	1 Bishops Wharf, Walnut Tree Close, Guildford, Surrey, GU1 4UP	Indirect	A Ordinary shares of £0.00002 each	29,910	100	1
Gymbox Holdco Ltd	38 New Kent Road, London, England, SE1 6TJ	Indirect	A Ordinary shares of £0.10 each	26,102	100	2,610
Gymbox Holdco Ltd	38 New Kent Road, London, England, SE1 6TJ	Indirect	A Preference shares of £0.0001	24,803,384	100	2,480
Healthshare Limited	Suite 9 20 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU	Indirect	A Ordinary shares of £0.001 each	25,370	100	25
Helecloud Limited	5a Frascati Way, Maidenhead, Berkshire, England, SL6 4UY	Indirect	A Ordinary shares of £1 each	34,210	100	34,210
Hobs Group Limited	14 Castle Street, Liverpool, United Kingdom, L2 0NE	Indirect	A Ordinary shares of £0.01	400,000	100	4,000
Holding EB Company Ltd	Bedford House, 69-79 Fulham High Street, London, Oxfordshire, SW6 3JW	Indirect	A Ordinary shares of £0.01 each	27,058	100	271
Horbury Group Ltd	South Grove House, South Grove, Rotherham, South Yorkshire, S60 2AF	Indirect	A Ordinary shares of £1 each	3,842	100	3,842
Hydrock Holdings Limited	Over Court Barns Over Lane, Almondsbury, Bristol, United Kingdom, BS32 4DF	Indirect	A Ordinary shares of £1 each	3,062	100	3,062
Hydrock Holdings Limited	Over Court Barns Over Lane, Almondsbury, Bristol, United Kingdom, BS32 4DF	Indirect	A Ordinary Preference shares of £0.01 each	1,516,938	100	15,169
IFA Group Limited	Victoria Forge, Livesey Street, Sheffield, United Kingdom, S6 2BL	Indirect	A Ordinary shares of £0.001 each	241,100	100	241
Inoapps Limited	2 Fountainhall Road, Aberdeen, AB15 4DT	Indirect	C Ordinary shares of £0.01	3,526	100	35
Inoapps Limited	2 Fountainhall Road, Aberdeen, AB15 4DT	Indirect	A Ordinary shares of £0.01 each	20,890	100	209
Invenio Business Solutions Holdings Ltd	125 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5RB	Indirect	A Ordinary shares of £0.10 each	134,404	100	13,440
Joe's Gourmet Foods Ltd	33 Broomhill Road, Woodford Green, Essex, IG8 9HD	Indirect	A Ordinary shares of £0.01 each	173,804	100	1,738

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Johnsons Aggregate and Recycling Limited	Johnsons Recycling Centre Crompton Road, Off Merlin Way, Ilkeston, Derbyshire, England, DE7 4BG	Indirect	A Ordinary shares of £0.01 each	5,198	100	52
Joloda International Group Limited	51 Speke Road, Garston, Liverpool, England, L19 2NY	Indirect	A Ordinary shares of £1 each	1,973,333	99	1,973,333
Juriba Ltd	20 Downs Valley, Hartley, Longfield, Kent, DA3 7RA	Indirect	A1 Ordinary shares of £0.01 each	219,765	100	2,198
Juriba Ltd	20 Downs Valley, Hartley, Longfield, Kent, DA3 7RA	Indirect	A2 Ordinary shares of £0.01 each	219,765	100	2,198
Just Digital Limited	Kingfisher Way, Hinchingbrooke Business Park, Huntingdon, Cambridgeshire, PE29 6FN	Indirect	A Ordinary shares of £1 each	8,000	100	8,000
Keenan Recycling Ltd	6 & 7 Queens Terrace, Aberdeen, Scotland, AB10 1XL	Indirect	A Ordinary shares of £0.01 each	4,590	100	46
Keenan Recycling Ltd	6 & 7 Queens Terrace, Aberdeen, Scotland, AB10 1XL	Indirect	A1 Ordinary shares of £0.01 each	1,529	100	15
Kids Planet Day Nurseries Ltd	231 Higher Lane, Lymm, Cheshire, England, WA13 0RZ	Indirect	A1 Ordinary shares of £0.01 each	2,600	100	26
Kids Planet Day Nurseries Ltd	231 Higher Lane, Lymm, Cheshire, England, WA13 0RZ	Indirect	A Ordinary shares of £0.01 each	9,950	100	100
Kinomica Limited	Biohub, Alderley Park, Alderley Edge, Macclesfield, Cheshire, SK10 4TG	Indirect	B Ordinary shares of £0.00001 each	200,000	50	2
Lightfoot Innovations Limited	Innovation Valley, Harcombe Cross, Chudleigh, Devon, England, TQ13 0DG	Indirect	A Ordinary shares of £0.10 each	624,200	100	62,420
LoopMe Ltd	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Indirect	A-6 Ordinary shares of £0.00001 each	5,403,336	68	54
Lota View Holdings Ltd	Ashgrove Works, Kill Avenue, Dun Laoghaire, Co. Dublin, Ireland	Indirect	A Ordinary shares of €1 each	47	100	47
Lumenisity Limited	C/O Penningtons Manches LLP, Apex Plaza, Forbury Road, Reading, United Kingdom, RG1 1AX	Indirect	Preferred shares of £0.0001 each	943,396	21	94
M Squared Technologies Group Limited	Venture Building 1 Kelvin Campus, West Of Scotland Science Park Maryhill Road, Glasgow, Scotland, G20 0SP	Indirect	Ordinary shares of £1 each	235,398	100	235,398
Magma Global Ltd	Magma House Trafalgar Wharf, Hamilton Road, Portsmouth, PO6 4PX	Indirect	B Ordinary shares of £1 each	162,993	84	162,993
Magmatic Limited	Shaftesbury Chapel, Union Road, Bristol, BS2 0LP	Indirect	A Ordinary of £0.01 each	42,317	100	423
Marvel Prototyping Limited	27 First Floor, Cricklade Avenue, London, SW2 3HD	Indirect	A Ordinary shares of £0.001 each	40,660	54	41
Marvel Prototyping Limited	27 First Floor, Cricklade Avenue, London, SW2 3HD	Indirect	A2 Ordinary shares of £0.001 each	1,537	33	2
Media Based Attractions Limited	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	A Ordinary shares of £0.01 each	371,739	100	3,717
Media Based Attractions Limited	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	E Ordinary shares of £0.00001 each	3,256	66	0

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Media Based Attractions Limited	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	Deferred shares of £0.01 each	3,078,000	34	30,780
Medigold Health Consultancy Ltd	Medigold House, Queensbridge, Northampton, NN4 7BF	Indirect	A Ordinary shares of £1 each	7,800	100	7,800
M-Flow Technologies Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M6 Ordinary shares of £0.01 each	138,511	100	1,385
M-Flow Technologies Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M3 Ordinary shares of £1 each	80,375	35	80,375
M-Flow Technologies Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M Ordinary of £1 each	6,163	31	6,163
M-Flow Technologies Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M2 Ordinary shares of £1 each	11,329	25	11,329
M-Flow Technologies Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M1 Ordinary shares of £1 each	2,414	21	2,414
MIP Diagnostics Limited	The Exchange Colworth Park, Sharnbrook, Bedford, Bedfordshire, MK44 1LQ	Indirect	C Ordinary shares of £0.01 each	8,945	39	89
Mission Mars Limited	8 Hewitt Street, Manchester, United Kingdom, M15 4GB	Indirect	B Ordinary shares of £0.0001 each	808,205	100	81
Molson Group ltd	Unit 4, Smoke Lane Industrial Estate, Smoke Lane, Bristol, Avon, BS11 0YA	Indirect	A Ordinary shares of £0.0001 each	81,414	100	8
Molson Group ltd	Unit 4, Smoke Lane Industrial Estate, Smoke Lane, Bristol, Avon, BS11 0YA	Indirect	A1 Ordinary shares of £0.0001 each	72,037	100	7
Mono Global Group Limited	Culzean House, 36 Renfield Street, Glasgow, Scotland, G2 1LU	Indirect	A Ordinary shares of £0.25	676,244	100	169,061
Monodraught Topco Ltd	Halifax House Halifax Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3SE	Indirect	A Ordinary shares of £1 each	39,998	100	39,998
Moulded Foams (Scotland) Ltd	1 Wardpark Road, Wardpark South, Cumbernauld, North Lanarkshire, G67 3EX	Indirect	A Ordinary shares of £1 each	13,747	99	13,747
MRM Global Limited	The E Centre, Cooperage Way, Alloa, Midlothian, FK10 3LP	Indirect	AA Ordinary shares of £0.01 each	1,207	100	12
Mzuri Holdings Ltd	1 Ferguson Drive, Lisburn, County Antrim, BT28 2FL	Indirect	A Ordinary shares of £1.00 each	2,046	100	2,046
Nationwide Specialist Services Limited	239 Ashley Rd Hale, Altrincham, Greater Manchester, United Kingdom, WA15 9NE	Indirect	A Ordinary shares of £1	40,000	100	40,000
NNY 91 Limited	Meridian House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1TB	Indirect	A Ordinary shares of £0.0001 each	15,000,000	100	1,500
Nonwovenn Limited	BFF Business Park, Bath Road, Bridgwater, Somerset, United Kingdom, TA6 4NZ	Indirect	C Ordinary shares of £0.001	25,625	100	26
Northern Escalator Installations Holdings Limited	Suite 2, Aireside Business Centre, Royd Ings Avenue, Keighley, England, BD21 4BZ	Indirect	A Ordinary shares of £0.01 each	35,000	100	350
Ocee International Limited	Design House Caswell Road, Brackmills Industrial Estate, Northampton, Northamptonshire, NN4 7PW	Indirect	A Ordinary shares of £1 each	4,419	100	4,419

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Off-Piste Brands Ltd	8 Royal Crescent, Cheltenham, Gloucestershire, United Kingdom, GL50 3DA	Indirect	A1 Ordinary shares of £0.01 each	7,310	100	73
Off-Piste Brands Ltd	8 Royal Crescent, Cheltenham, Gloucestershire, United Kingdom, GL50 3DA	Indirect	A2 Ordinary shares of £0.01 each	52,190	100	522
Olive Communications Solutions Ltd	Olive House Mercury Park, Wooburn Green, High Wycombe, Buckinghamshire, HP10 0HH	Indirect	D Ordinary shares of £0.001 each	559,945	100	560
Oliver Grace Limited	Borough House Berkeley Court, Borough Road, Newcastle Under Lyme, United Kingdom, ST5 1TT	Indirect	A Ordinary shares of £1 each	488	100	488
Oliver Sweeney Licensing Limited	Block B Imperial Works, Perren Street, London, United Kingdom, NW5 3ED	Indirect	A Ordinary shares of £0.000005 each	39,966	100	0
Oneplm Limited	Signal Court Old Station Way, Eynsham, Witney, Oxfordshire, England, OX29 4TL	Indirect	A Ordinary shares of £0.00002 each	22,000	100	0
Open Cosmos Ltd	Electron Building Fermi Avenue, Harwell Oxford, Didcot, England, OX11 0QR	Indirect	A1 Ordinary shares of £0.001	24,650	77	25
Operam Education Group Limited	3 Morston Claycliffe Office Park, Whaley Road, Barnsley, England, S75 1HQ	Indirect	A Ordinary shares of £0.01 each	8,000	100	80
Orbital Education Limited	Landmark House Station Road, Cheadle Hulme, Cheadle, England, SK8 7BS	Indirect	A Ordinary shares of £0.001 each	94,982	99	95
Orbital Express Launch Limited	c/o John Whelan Associates, Omnibus Business Centre, 39-41 North Road, London, N7 9DP	Indirect	Series B shares of £0.0001 each	1,213,333	42	121
P2U Holdings Limited	Lumina Park Approach, Thorpe Park, Leeds, England, LS15 8GB	Indirect	A3 Ordinary shares of £0.01 each	105,336	42	1,053
Paddle.com Market Limited	15 Briery Close, Great Oakley, Corby, Northamptonshire, NN18 8JG	Indirect	A2 Ordinary shares of £0.01 each	18,918	59	189
Paintbox Group Limited	14A Wildmere Road, Banbury, West Midlands, OX16 3JU	Indirect	A Ordinary shares of £1 each	25,730	100	25,730
Parklands Limited	Rosehall The Square, Grantown-On-Spey, Grantown-On-Spey, Highland, PH26 3HG	Indirect	A Ordinary shares of £1 each	32,699	100	32,699
Phico Therapeutics Ltd	Bertarelli Building Bourn Hall, High Street, Bourn, Cambridge, Cambridgeshire, CB23 2TN	Indirect	A Ordinary shares of £0.001 each	638,696	24	639
PJ Capital Holdings Limited	Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY	Indirect	A Ordinary shares of £0.0001 each	4,370,154	100	437
PJ Group Limited	Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY	Indirect	A Ordinary shares of £0.01 each	5,460	100	55
Planixs GRP Limited	Union House, 2/10 Albert Square, Manchester, England, M2 6LW	Indirect	B Ordinary shares of £0.00001 each	2,916,667	100	29

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Plantforce Rentals Ltd	Plantforce Rentals Ltd Bristol Depot, Winterstoke Road, Weston Super Mare, England, BS23 3YW	Indirect	A Ordinary shares of £1 each	78,961	100	78,961
Plus44 Holdings Ltd	c/o Squire Patton Boggs (UK) LLP, Edmund Street, Birmingham, B3 2JR	Indirect	A Ordinary shares of £0.0001 each	2,250,975	45	225
PPS Equipment Holdings Ltd	Units 8-13 Marchington Industrial Estate, Stubby Lane, Marchington, Uttoxeter, Staffordshire, ST14 8LP	Indirect	Ordinary shares of £0.01 each	26,225	100	262
Predictimmune Limited	Finsgate, 5-7 Cranwood Street, London, England, EC1V 9EE	Indirect	A Ordinary shares of £0.01 each	345,424	39	3,454
Prodrive Composites Ltd	Prodrive Composites Limited Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	A Ordinary shares of £0.00001 each	35,000	100	0
Psyomics Limited	Chater Allan, Beech House, 4A Newmarket Road, Cambridge, Cambridgeshire, CB5 8DT	Indirect	Ordinary shares of £0.0000152 each	21,691	33	0
PTS Consulting Group Limited	Dawson House, 5 Jewry Street, London, London, EC3N 2EX	Indirect	B1 Ordinary shares	351,724	100	351,724
Purity Brewing Group Limited	The Brewery Upper Spernall Farm, Spernall Lane, Great Alne, Alcester, Warwickshire, B49 6JF	Indirect	A Ordinary shares of £1 each	8,000	100	8,000
Reconnaissance Ventures Limited	RVL House, Building 21, Anson Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA	Indirect	A Ordinary shares of £0.001 each	3,973,684	100	3,974
Record Sure Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	A Ordinary shares of £0.01 each	35,115	100	351
Record Sure Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	C Ordinary shares of £0.01 each	68,201	100	682
Record Sure Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	B Ordinary shares of £0.01 each	32,852	80	329
Reflex Vehicle Hire Limited	22 Belton Road West, 22 Belton Road West, Loughborough, England, LE11 5TR	Indirect	A Ordinary shares of £1 each	1,121,005	100	1,121,005
Reiver Limited	12th Floor 6 New Street Square, London, United Kingdom, EC4A 3BF	Indirect	A Ordinary shares o £0.00001 each	328,000	100	3
Renegade Spirits Grenada Limited	2 Babmaes Street, London, United Kingdom, SW1Y 6HD	Indirect	Ordinary shares of £0.50	360,758	26	180,379
Renegade Spirits Ireland Limited	2 Babmaes Street, London, Waterford, SW1Y 6HD	Indirect	A Ordinary shares of £1 each	83,334	100	83,334
Respoke Ltd	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Indirect	D1 Ordinary shares of £0.0001 each	586,510	65	59
Revital Holdings Limited	71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ	Indirect	A Ordinary shares of £1 each	56,467	100	56,467
River Ridge Holdings Limited	56 Craigmore Road Garvagh, Coleraine, United Kingdom, BT51 5HF	Indirect	A Ordinary shares of £1 each	2,684	100	2,684

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
RMS International Ltd	Grafix House, 6 Boundary Road, Pendlebury, Swinton, Manchester, England, M27 4EQ	Indirect	A Ordinary shares of £0.01 each	2,006,835	100	20,068
Roc Transformation (Holdings) Ltd	1 Lindenmuth Way, Greenham Business Park, Thatcham, RG19 6AD	Indirect	A Ordinary shares of £0.10 each	241,300	100	24,130
ROI Media Ltd	Squire Patton Boggs, No 1 Spinningfields, Manchester, M3 3EB	Indirect	A Ordinary shares of £0.01 each	45,954	100	460
ROI Media Ltd	Squire Patton Boggs, No 1 Spinningfields, Manchester, M3 3EB	Indirect	Preference shares of £1 each	1,400,000	100	1,400,000
ROVOP TopCo Ltd	Silvertrees Drive, Westhill, Aberdeen, United Kingdom, AB32 6BH	Indirect	A Ordinary shares of £0.01 each	31,169	50	312
Roxor Group Limited	Hamnett House, Gibbet Street, Halifax, England, HX2 0AX	Indirect	Z Ordinary shares of £1 each	2	100	2
Roxor Group Limited	Hamnett House, Gibbet Street, Halifax, England, HX2 0AX	Indirect	A Ordinary shares of £0.10 each	4,999	100	500
Ruroc Global Holdings Limited	Unit 2 Barnett Way Barnett Way, Barnwood, Gloucester, England, GL4 3RT	Indirect	D Ordinary shares of £0.00125 each	404,904	100	506
Rutland Cycling 2013 Limited	The Old Station Yard Wing Road, Manton, Oakham, Rutland, England, LE15 8SZ	Indirect	A Ordinary shares of £0.01 each	714	100	7
Salecycle Limited	Chase House 1st Floor, Mandarin Road, Houghton Le Spring, Tyne And Wear, DH4 5RA	Indirect	A Ordinary shares of £0.0001 each	228,996	100	23
SCA Investments Limited	Unit 1.8 & 1.9 The Shepherds Building, Charecroft Way, London, England, W14 0EE	Indirect	K Ordinary shares of £0.001 each	59,287	40	59
SCA Investments Limited	Unit 1.8 & 1.9 The Shepherds Building, Charecroft Way, London, England, W14 0EE	Indirect	I Ordinary shares of £0.001	152,034	26	152
SDL Group Holdings Ltd	17 Regan Way, Chetwynd Business Park, Nottingham, United Kingdom, NG9 6RZ	Indirect	A Ordinary shares of £0.10 each	317,858	100	31,786
SDL Property Services Group Limited	17 Regan Way, Chetwynd Business Park, Nottingham, United Kingdom, NG9 6RZ	Indirect	A Ordinary shares of £0.10 each	–	100	0
Seasalt Holdings Limited	Unit 8 Falmouth Business Park, Bickland Water Road, Falmouth, Cornwall, TR11 4SZ	Indirect	D Ordinary shares of £1 each	45,836	100	45,836
Semafone Limited	Pannell House, Park Street, Guildford, England, GU1 4HN	Indirect	A2 Ordinary shares of £0.001	374,893	65	375
Sentric Music Group	1st Floor 29 Parliament Street, Liverpool, L8 5RN	Indirect	D Ordinary shares of £0.01 each	44,350	100	444
Sentric Music Group	1st Floor 29 Parliament Street, Liverpool, L8 5RN	Indirect	E Ordinary shares of £0.01 each	1	100	0
Sertec Corporation Limited	Wincaster House Gorsey Lane, Coleshill, Birmingham, West Midlands, United Kingdom, B46 1JU	Indirect	A Ordinary shares of £0.10 each	228,824	100	22,882

Notes to the financial statements continued
For the year ended 31 December 2020

25. Related undertakings continued

Company Name	Registered Office	Holding	Class of Share	Number of Shares	BGF % of Class of Shares	Nominal Value £
Sertec Corporation Limited	Wincaster House Gorsey Lane, Coleshill, Birmingham, West Midlands, United Kingdom, B46 1JU	Indirect	A3 Ordinary shares of £0.08125019 each	165,459	64	13,444
Setfords Law Limited	Jenner House, 1a Jenner Road, Guildford, Surrey, United Kingdom, GU1 3PH	Indirect	A Ordinary shares of £0.00001 each	520,000	100	5
Sherlock Foods Holdings Limited	Kingston House Towers Business Park, Wilmslow Road, Manchester, England, M20 2LX	Indirect	A Ordinary shares of £0.01 each	2,800,000	100	28,000
SHG (Care Villages) Limited	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	B Ordinary shares of £0.01 each	371,788	100	3,718
SHG (Care Villages) Limited	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	Preferred A Ordinary of £0.01 each	164,000	100	1,640
SLG Allstars Limited	Studio 19 The Brewery Quarter, Unit H2, High Street, Cheltenham, England, GL50 3FF	Indirect	A Ordinary shares of £1 each	8,080	100	8,080
Snipple Animation Studios Ltd	Elsley Court, 20-22 Great Titchfield Street, London, London, W1W 8BE	Indirect	A1 Ordinary shares of £0.00005 each	2,264,900	100	113
Snipple Animation Studios Ltd	Elsley Court, 20-22 Great Titchfield Street, London, London, W1W 8BE	Indirect	A2 Ordinary shares of £0.00005 each	2,264,900	100	113
Sophia Webster Limited	Zetland House, 109 -123 Clifton Street, London, England, EC2A 4LD	Indirect	B Ordinary shares of £1 each	2,063	100	2,063
SPA Worldwide Ltd	2nd Floor 90-92 Pentonville Road, London, United Kingdom, N1 9HS	Indirect	A Preferred shares of £0.00001 each	5,021,277	74	50
Spex Group Holdings Limited	Blackwood House, Union Grove Lane, Aberdeen, United Kingdom, AB10 6XU	Indirect	A1 Ordinary shares of £0.01 each	6,284	100	63
Spex Group Holdings Limited	Blackwood House, Union Grove Lane, Aberdeen, United Kingdom, AB10 6XU	Indirect	A Ordinary shares of £0.01 each	7,365	100	74
Springfield Home Care Services Ltd	2 Fusion Court, Aberford Road Garforth, Leeds, West Yorkshire, LS25 2GH	Indirect	C Ordinary shares of £1 each	1	100	1
Springfield Home Care Services Ltd	2 Fusion Court, Aberford Road Garforth, Leeds, West Yorkshire, LS25 2GH	Indirect	D Ordinary shares of £1 each	1	100	1
Stats (UK) Ltd	7-9 Bon Accord Crescent, Aberdeen, AB11 6DN	Indirect	A1 Ordinary shares of £0.01 each	9,000	100	90
Stats (UK) Ltd	7-9 Bon Accord Crescent, Aberdeen, AB11 6DN	Indirect	A Ordinary of £0.01 each	34,179	100	342
StreetHub Ltd	60 Worship Street, London, England, EC2A 2EZ	Indirect	A Ordinary shares of £0.00001 each	3,571,939	45	36
StreetHub Ltd	60 Worship Street, London, England, EC2A 2EZ	Indirect	A1 shares of £0.00001 each	3,679,245	22	37

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