

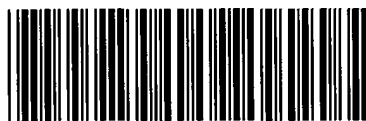


**Business Growth  
Fund Plc**

**Annual reports & financial  
statements**

**For the year ended  
31 December 2017**

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## Company information

### Company registration number

07514847

### Registered Office

13-15 York Buildings  
London, WC2N 6JU

### Auditor

KPMG LLP  
15 Canada Square  
London, E14 5GL

### Banker

Barclays Bank Plc  
One Churchill Place  
London, E14 5HP

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# Strategic Report

## Principal activities and status

Business Growth Fund Plc (the “Company”) is a wholly owned subsidiary of BGF Group Limited and its subsidiaries (collectively “BGF”) is an investment business that provides growth capital to ambitious entrepreneurs running growing UK companies. With up to £2.5bn of capital, BGF is a significant source of long term funding for smaller British and Irish businesses.

## Business Review

Up to 23 May 2017, Business Growth Fund Plc was the parent company of the following subsidiaries: BGF Services Limited and BGF Nominees Limited, it was also the General Partner and made investments on behalf of BGF Investments LP and BGF Ventures LP. Collectively, “the Group”.

The following new entities were incorporated during the year as 100% wholly owned subsidiaries of Business Growth Fund Plc:

- BGF Group Limited (7 March 2017);
- BGF Investment Management Limited (8 February 2017);
- BGF GP Limited (7 March 2017);
- BGF Ireland GP Limited (7 March 2017); and
- BGF Ireland Nominees Limited (7 March 2017).

On 23 May 2017 all the shares in Business Growth Fund Plc were exchanged for shares in BGF Group Limited such that the Company became a subsidiary of BGF Group Limited. On the same date all the Company’s equity holdings in the following companies were transferred to BGF Group Limited:

- BGF Services Limited;
- BGF Nominees Limited;
- BGF Investment Management Limited;
- BGF GP Limited;
- BGF Ireland Nominees Limited; and
- BGF Ireland GP Limited.

Therefore, from 23 May 2017, the Company was no longer the parent Company of the above subsidiaries. However, in its ongoing role as Limited Partner of BGF Investments LP and BGF Ventures LP, it continues to present consolidated results and cash flows of all Group entities.

From 1 October 2017, the General Partner responsibilities of the Company were novated to BGF GP Limited and BGF Investment Management Limited also assumed the investment management function of the Group and the wider BGF Group.

## Business Model

BGF is designed to help smaller and mid-sized businesses fund investment for growth purposes using long term capital. The key driver of financial performance for BGF itself is being able to make sufficient investments to drive economies of scale, critical for a firm investing up to £10m initially, so that over time the balance sheet is of sufficient size to cover operating costs and investment activity.

The Group will derive returns via two routes - annual returns (primarily interest and dividends) earned during the period for which the investment is held, and capital gains at the time of exit of an investment. Returns depend greatly on the increase in value in the underlying investments based on the successful execution of an agreed growth strategy.

## Results

The Group made a profit after taxation of £105,323,000 (2016: £485,000). The year-end operating profit was £113,145,000 (2016: £845,000). This consisted of revenue gains of £21,915,000 (2016: £17,413,000), realised capital gains of £65,471,000 (2016: £740,000) and unrealised gains of £25,759,000 (2016: losses of £17,308,000).

In terms of investment performance, the approach to valuations follows the International Private Equity and Venture Capital Guidelines, whilst reflecting both the immaturity of the portfolio and the relative age of the companies BGF has invested in. BGF aims to offset some of the risk of investing in smaller companies by avoiding higher levels of gearing. The long term financial results will be driven by the capital appreciation of the underlying investments in the portfolio.

The provisions follow accounting standards of fair value today but do not necessarily reflect BGF's view of the long-term value of investments which BGF typically expects to hold for between 5-10 years. As is common practice with unquoted investments the key metric of financial success is the actual cash realised on each investment relative to its cost, so a precise Multiple of Money can be derived on each investment and then, across a whole portfolio of investments, looked at on an annual vintage basis. As a minority investor working in partnership with management BGF is helping to develop these companies over a longer-term horizon to build greater equity value noting that BGF cannot control exit timing.

## Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks, all of which are closely integrated with those of BGF. Accordingly the principal risks and uncertainties of BGF are discussed below.

The key risks that BGF faces relate to the investment portfolio. Making equity linked investments in small, predominantly unquoted companies, by its nature, carries a higher degree of risk, as well as illiquidity, than investments in quoted or listed assets. This risk is managed through BGF's investment and portfolio management processes and is in line with other providers of unquoted equity investment. As BGF expands its investments the directors will mitigate some of this risk by ensuring that it maintains a diverse portfolio across business sectors and geography.

The nature of these investments also gives rise to a liquidity risk as there is not generally a ready market for the sale of the assets. The directors mitigate this risk by aiming to ensure that sufficient cash reserves are maintained to cover any short term liabilities.

BGF operates in a highly regulated market and members of BGF are authorised by the Financial Conduct Authority to carry out its investment business. The directors have put in place procedures and controls to ensure that this authorisation is maintained.

A more detailed analysis of the financial risks facing the Group is shown in notes 21 to 23.

## **Key Performance Indicators**

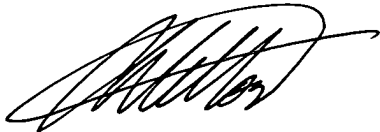
The Group uses both financial and non-financial measures to track progress against its primary objectives of supporting the operations of BGF. A more detailed analysis of the key performance indicators used by the Group is shown in the financial statements of BGF Group Limited, obtainable from 13-15 York Buildings, London, WC2N 6JU.

## **Political and Charitable Donations**

BGF recognises the value of charitable and social contributions both it and its employees can make.

BGF Group made charitable donations of £119,355 in 2017 (2016: £117,960): £1,755 (2016: £1,373) as part of its policy to match employee donations up to a maximum of £250 per employee and £117,600 (2016: £116,587) of donations including the New Entrepreneurs Foundation and Young Enterprise Tenner Challenge. BGF did not make any contributions to political parties during either the current or the previous year.

This report was approved by the Board of Directors on 19 April 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Stephen Welton', written in a cursive style.

Stephen Welton (Chief Executive Officer)

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## Directors' Report

The directors' present their Directors' Report and Consolidated Financial Statements for the year ended 31 December 2017.

The Company has chosen to set out information relating to the business review and future developments, key performance indicators, principle risks and uncertainties, political and charitable donations within the Strategic Report on pages 4 to 6.

### Going Concern

The Group finished the year with cash balances of £72m and has sufficient funding committed from its shareholders to fund its activities for 2018.

In light of the Group's financial resources, the Directors believe that the Group is well positioned to successfully manage its business risks within the Group's risk appetite and tolerance despite the continuing uncertain economic outlook, and, after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

### Dividends

The directors do not recommend the payment of a dividend for the period (2016: £nil).

### Creditor payment policy

The Group's payment policy is to settle supplier invoices in accordance with agreed terms. At 31 December 2017, the Company had 55 days (2016: 31 days) of purchases held in creditors.

### Directors

The directors who served during the year were:

Sir Nigel Rudd (resigned 23 May 2017)  
Stephen Welton  
Matthew Reed  
Neil Johnson (resigned 23 May 2017)  
Stephen Murphy (resigned 23 May 2017)  
Alice Avis (resigned 23 May 2017)  
Diane Noble (resigned 23 May 2017)  
Tim Boag (resigned 23 May 2017)  
James Chew (resigned 23 May 2017)  
Adrian White (resigned 23 May 2017)  
Kevin Wall (resigned 23 May 2017)

The directors have no interest in the shares of the company.

## **Statement of disclosure of information to auditors**

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 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.

## **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 19 April 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S. Welton', with a long horizontal flourish extending to the right.

Stephen Welton (Chief Executive Officer)



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## 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 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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group 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.

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# Independent Auditor's Report to the Members of Business Growth Fund Plc

We have audited the financial statements of Business Growth Fund Plc ("the Company") for the year ended 31 December 2017 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 company's affairs as at 31 December 2017 and of its 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 company 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**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic Report and Director's Report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an opinion thereon.

Our responsibility is to read the strategic report and the director's report 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 9, 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 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 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](http://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  
19<sup>th</sup> April 2018

## Consolidated Profit and Loss Account

For the year end 31 December 2017

	Notes	2017 £'000	2016 £'000
Investment income	2	63,127	50,390
Operating expenses	3,4	(41,212)	(32,977)
Net realised gain	7	65,471	740
Net unrealised gain/(loss)	9	25,759	(17,308)
<b>Operating gain</b>		<b>113,145</b>	<b>845</b>
Interest receivable	6	115	179
<b>Profit on ordinary activities before taxation</b>		<b>113,260</b>	<b>1,024</b>
Taxation on ordinary activities	8	(7,937)	(539)
<b>Profit on ordinary activities after taxation</b>		<b>105,323</b>	<b>485</b>
<b>Total comprehensive income</b>		<b>105,323</b>	<b>485</b>

All income and expenditure arose from continuing operations. There was no profit or loss attributable to minority interests in the year.

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 the loss on ordinary activities before taxation and the retained profit for the period stated above and their historical equivalents.

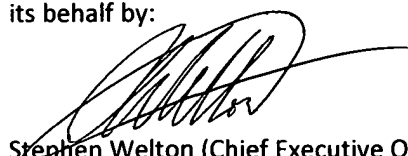
# Consolidated and Company Balance Sheet

As at 31 December 2017

	Notes	2017 Consolidated Group £'000	2017 Company £'000	2016 Consolidated Group (as restated*) £'000	2016 Company £'000
<b>Fixed assets</b>					
Investments	9	1,212,526	-	935,907	-
Investment in group entities	10	-	1,020,861	-	872,681
Tangible fixed assets	11	3,055	3,055	1,818	1,818
		1,215,581	1,023,916	937,725	874,499
<b>Current assets</b>					
Debtors:	12				
amounts falling due within one year		29,293	7,263	25,652	11,784
amounts falling due after one year		22,312	-	12,810	-
		51,605	7,263	38,462	11,784
Cash at bank and in hand		71,812	65,426	87,308	87,145
		123,417	72,689	125,770	98,929
<b>Creditors:</b>					
amounts falling due within one year	13	(110,352)	(107,318)	(14,203)	(17,293)
<b>Net current assets</b>		13,065	(34,629)	111,567	81,636
<b>Total assets less current liabilities</b>		1,228,646	989,287	1,049,292	956,135
Provisions for liabilities and charges	14	(273)	(273)	(251)	(251)
<b>Net assets</b>		1,228,373	989,014	1,049,041	955,884
<b>Capital and reserves</b>					
Called up share capital	15	1,157,129	1,157,129	1,083,129	1,083,129
Retained earnings	17	71,180	(168,115)	(34,143)	(127,245)
Minority interest	16	64	-	55	-
<b>Equity</b>		1,228,373	989,014	1,049,041	955,884

\*Refer to notes 1g and 24 for detail.

These financial statements were approved by the Board of Directors on 19 April 2018 and were signed on its behalf by:



Stephen Welton (Chief Executive Officer),

Company registration number: 07514847

The notes on pages 17 to 47 form an integral part of these financial statements

# Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2017

<b>Group</b>	<b>Notes</b>	<b>Called up Share Capital £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Minority interests £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2017		1,083,129	(34,143)	55	1,049,041
Profit for the period		-	105,323	-	105,323
Issue of shares	15	74,000	-	-	74,000
Acquisition of minority interests	16	-	-	9	9
<b>Balance at 31 December 2017</b>		<b>1,157,129</b>	<b>71,180</b>	<b>64</b>	<b>1,228,373</b>

<b>Group</b>	<b>Notes</b>	<b>Called up Share Capital £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Minority interests £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2016		735,129	(34,628)	45	700,546
Profit for the period		-	485	-	485
Issue of shares	15	348,000	-	-	348,000
Acquisition of minority interests	16	-	-	10	10
<b>Balance at 31 December 2016</b>		<b>1,083,129</b>	<b>(34,143)</b>	<b>55</b>	<b>1,049,041</b>

The notes on pages 17 to 47 form an integral part of these financial statements

<b>Company</b>	<b>Notes</b>	<b>Called up Share Capital £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2017		1,083,129	(127,245)	955,884
Profit for the period		-	(40,870)	(40,870)
Issue of shares	15	74,000	-	74,000
Balance at 31 December 2017		1,157,129	(168,115)	989,014

<b>Company</b>	<b>Notes</b>	<b>Called up Share Capital £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2016		735,129	(93,056)	642,073
Profit for the period		-	(34,189)	(34,189)
Issue of shares	15	348,000	-	348,000
Balance at 31 December 2016		1,083,129	(127,245)	955,884

# Consolidated Cash Flow Statement

For the year ended 31 December 2017

	2017 £'000	2016 £'000
<b>Cash flows from operating activities</b>		
Operating profit	113,145	845
<i>Adjustments for:</i>		
Depreciation	372	429
Loss on disposal of fixed assets	-	22
Unrealised (gain)/loss on investments	(25,759)	17,308
Realised gain on investments	(65,471)	(740)
Increase in debtors	(18,448)	(26,822)
Increase in creditors	4,299	2,535
(Increase)/decrease in accrued income	(4,814)	12,343
<b>Net cash from operating activities</b>	<b>3,324</b>	<b>5,920</b>
<b>Cash flows from investing activities</b>		
Purchase of investments*	(311,095)	(375,932)
Disposal of Investments**	130,537	48,702
Purchase of tangible fixed assets	(1,374)	(1,862)
Interest received	103	187
<b>Net cash used in investing activities</b>	<b>(181,829)</b>	<b>(328,905)</b>
<b>Cash flows from financing activities</b>		
Increase in share capital issued	74,000	348,000
BGF Group	89,000	-
Minority interest	9	10
<b>Net cash from financing activities</b>	<b>163,009</b>	<b>348,010</b>
<b>Net increase in cash and cash equivalents</b>	<b>(15,496)</b>	<b>25,025</b>
Cash and cash equivalents at 1 January	87,308	62,283
<b>Closing cash position</b>	<b>71,812</b>	<b>87,308</b>

\*Purchase of investments includes £733,000 of interest capitalised in the year.

\*\*The disposal of investments figure is net of exit fees incurred of £1,681,000.



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# Notes to the financial statements

## 1. Accounting policies

### a. Basis of preparation

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.

In these financial statements, the Company has changed its accounting policy in relation to recognition of accrued interest income. Refer to notes 1(g) and note 24 for further detail.

### Group reorganisation

As stated within the business review on pg. 4 the Company transferred its equity holdings in a number of its subsidiaries within the year.

As part of these transfers, the net assets of BGF Services Limited were transferred to BGF Group Limited at cost on 23 May 2017.

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 subsidiaries of Business Growth Fund Plc.

### b. Going concern

The Group finished the year with cash balances of £72m and has sufficient funding committed from its shareholders to fund its activities for 2018.

In light of the Group's financial resources, the Directors believe that the Group is well positioned to successfully manage its business risks within the Group's risk appetite and tolerance despite the continuing uncertain economic outlook, and, after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

**c. Basis of consolidation**

The consolidated financial statements include the financial statements of all the Company's direct 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 FRS102. 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 at fair value with changes through the profit and loss account.

**d. Income**

Arrangement fees are payable to the Company 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.

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

**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 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 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. As at 31 December 2017 the balance held in lawyers client accounts was £6,258,000 (2016: £nil).

##### **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.

## Measurement

Investments are initially and subsequently measured at fair value.

Investments are valued by applying the International Private Equity and Venture Capital Valuation Guidelines, 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	- 3 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

On 8 March 2012 the Group implemented a long-term incentive plan (“the LTIP”). 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 & 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 from 1 October 2017. 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. An accrual has not been recognised in the year (2016: £nil) for LTIP expense as no vintage has realised returns exceeding the minimum hurdle rate.

As part of the annual performance appraisal and remuneration reviews, employees may be offered a number of points in relation to these vintages 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 senior management team are reviewed by the Remuneration Committee and the Board of Directors.

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 judgments 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.

#### **l. 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 Fund 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, they also rely on significant unobservable inputs. The selection of these unobservable inputs and assumptions require 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. The Ventures investments generally do 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 are 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

	2017 £'000	2016 £'000
Dividend income – investee companies	2,591	3,839
Loan note interest – investee companies	47,969	35,100
Arrangement fee income	4,872	6,138
Annual fee income	6,029	5,313
Other income	1,666	-
<b>Total</b>	<b>63,127</b>	<b>50,390</b>

All income was earned on UK operations.

## 3. Operating expenses

	2017 £'000	2016 £'000
Staff costs	9,500	24,844
Premise costs	2,357	2,281
BGF Investment Management fee	8,117	-
BGF Services fee	15,223	-
Other costs	6,015	5,852
<b>Total</b>	<b>41,212</b>	<b>32,977</b>

Included within other costs is auditor's remuneration as follows: £9,000 (2016: £25,000) for the audit of these financial statements, £104,000 (2016: £114,000) for the audit of the subsidiaries of the Company, and £20,000 (2016: £20,000) for other assurance services provided during the period.

#### 4. Staff costs

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

	4 months Jan-17 to Apr-17	2016
Non-executive directors	9	9
Senior management team	11	11
Investment staff	92	86
Support staff	35	31
<b>Total</b>	<b>147</b>	<b>137</b>

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages & salaries	7,971	20,750
Social security costs	1,096	2,899
Other pension costs	433	1,195
<b>Total staff costs</b>	<b>9,500</b>	<b>24,844</b>

At 31 December 2017, the total number of staff (including non-executive directors) was nil (2016: 143).

As part of the annual performance appraisal and remuneration reviews, employees may be offered a number of points in relation to these vintages 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 senior management team 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 2017 were as specified below:

	Salary and fees £'000	Bonus for the year £'000	Pension and other benefits £'000	Jan-17 to Apr-17 4 months £'000	2016 Total £'000
<b>Executive Director</b>					
S Welton	177	165	5	347	1,055
<b>Other directors</b>	231	93	1	325	976
<b>Total director's remuneration</b>	<b>408</b>	<b>258</b>	<b>6</b>	<b>672</b>	<b>2,031</b>

S Welton was the highest paid director for the year.

S Welton and certain other directors have a share in the returns allocated to the LTIP for each vintage as described in note 1(l). Due to the long-term nature of the incentive plan there have been no payments made during the year nor are there any amounts outstanding at the year end.

## 6. Interest receivable

	2017 £'000	2016 £'000
Interest on bank deposits	115	179

## 7. Realised capital transactions

	2017 £'000	2016 £'000
Proceeds received	155,327	38,188
Exit Fees	(1,681)	(418)
Fair value	(88,175)	(37,030)
Net realised gain	65,471	740

Proceeds received includes £23,127,000 of recycled investment retained on exits completed in the year.

An accrual for £18,000 has been included within exit fees for expenses yet to be incurred and paid by BGF at the year end.

## 8. Taxation

### a. Analysis of tax charge in the period

	2017 £'000	2016 £'000
UK corporation tax (note 8(b))	2,740	271
Deferred tax prior year adjustment	448	(105)
Origination and reversal of timing differences	4,748	(137)
Impact of changes in statutory tax rate	1	510
Tax charge for the period	7,937	539

### b. Factors affecting the tax charge for the period

The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained as follows:



	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	113,260	1,024
Corporation tax at 19.25% (2016: 20.00%)	21,799	205
Effect of:		
Non-taxable income	(271)	(799)
Disallowed administrative expenses	258	179
Depreciation in excess of capital allowances	(29)	(14)
Non-taxable investment revaluations	(7,029)	(731)
Disallowable investment impairment	1,691	2,008
Excess management expenses carried forward	(5,346)	(577)
Partnership income and gains	-	-
Substantial shareholding exemption and other reliefs	(8,330)	-
Other permanent differences	(3)	-
Tax charge for the period (note 8(a))	2,740	271

c. Deferred tax	Balance Sheet		Income Statement	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Fixed asset timing differences	7	43	(35)	(5)
Losses available for offset against future taxable income	4,129	9,291	(5,162)	(263)
Total deferred tax asset	4,136	9,334	(5,197)	(268)

Reductions to the UK Corporation tax rate were substantively enacted on 26 October 2015 in Finance (No.2) Bill 2015 reducing the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. On 6 September 2016, a further reduction to 17% from 1 April 2020 was substantively enacted.

The provisions included within Finance (No.2) Act 2017 introduced various amendments to existing 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.

## 9. Investments

Group	Equity £'000	Preference Shares £'000	Loan notes £'000	Accrued Interest £'000	Total £'000
Opening book cost	465,800	18,496	470,957	41,895	997,148
Opening unrealised surplus/(deficit)	1,813	10,938	(38,348)	(11,861)	(37,458)
Opening valuation at 1 January 2017	467,613	29,434	432,609	30,034	959,690
Opening book cost (as restated*)	465,800	18,496	470,957	6,251	961,504
Opening unrealised surplus/(deficit) (as restated*)	1,813	10,938	(11,861)	-	(25,597)
Opening valuation at 1 January 2017 (as restated*)	467,613	29,434	432,609	6,251	935,907
New investments	157,395	6,655	170,171	-	334,221
Conversions	(3,596)	-	3,596	-	-
Realisations / redemptions	(55,153)	(397)	(32,625)	-	(88,175)
Net movement on accrued interest	-	-	-	4,814	4,814
Valuation movement	27,128	(1,211)	(158)	-	25,759
Closing valuation at 31 December 2017	593,387	34,481	573,593	11,065	1,212,526
<b>Represented by:</b>					
Closing book cost	569,779	24,867	599,913	11,065	1,205,624
Closing unrealised surplus/(deficit)	23,608	9,614	(26,320)	-	6,902
Closing valuation at 31 December 2017	593,387	34,481	573,593	11,065	1,212,526

\*Refer to notes 1(g) and 24 for detail.

During the year the Group made investments in 47 (2016: 59) companies bringing the total portfolio to 202 (2016: 162) companies.

New investments include £733,000 of interest capitalised during the year and £23,127,000 of recycled investment retained on exits completed in the year.

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 £6,902,000 (2016: deficit of £25,597,000) consists of an unrealised loss against the value of 68 (2016: 46) investments totalling £160,997,000 (2016: £152,749,000) and an unrealised gain against 77 (2016: 60) investments totalling £167,899,000 (2016: £127,152,000).

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	2017	2016
	(as restated*) £'000	£'000
Level 1	147,053	102,115
Level 3	1,065,473	833,792
Total	1,212,526	935,907

\*Refer to notes 1(g) and 24 for detail.

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.

## 10. Investment in group entities

Company	2017	2016
	£'000	£'000
Investment in subsidiary undertakings	404	337
Long term loans to subsidiaries	1,020,457	872,344
Total	1,020,861	872,681

**11. Tangible fixed assets**

<b>Group and Company</b>	<b>Leasehold improvements</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>				
As at 1 January 2017	2,181	496	979	3,656
Additions	1,525	19	64	1,608
Disposals	(240)	(57)	-	(297)
<b>As at 31 December 2017</b>	<b>3,466</b>	<b>458</b>	<b>1,043</b>	<b>4,967</b>
<b>Accumulated depreciation</b>				
As at 1 January 2017	844	245	749	1,838
Charge for the period	209	40	123	372
Released on disposal	(240)	(58)	-	(298)
<b>As at 31 December 2017</b>	<b>813</b>	<b>227</b>	<b>872</b>	<b>1,912</b>
<b>Net book value</b>				
As at 1 January 2017	1,337	251	230	1,818
<b>As at 31 December 2017</b>	<b>2,653</b>	<b>231</b>	<b>171</b>	<b>3,055</b>

There are no assets held under finance leases.

**12. Debtors**

	<b>2017 Consolidated Group</b>	<b>2017 Company</b>	<b>2016 Consolidated Group (as restated*)</b>	<b>2016 Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	2,089	2,089	1,675	1,675
Interest income receivable	35,272	-	23,783	-
Other debtors	29	30	108	13
Withholding tax debtor	9,094	-	2,640	-
Prepayments & accrued income	984	1,008	922	762
Deferred tax asset	4,136	4,136	9,334	9,334
<b>Total</b>	<b>51,605</b>	<b>7,263</b>	<b>38,462</b>	<b>11,784</b>

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

	<b>2017 Consolidated Group</b>	<b>2017 Company</b>	<b>2016 Consolidated Group (as restated*)</b>	<b>2016 Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Interest income receivable	<b>22,312</b>	-	12,818	-
<b>Total</b>	<b>22,312</b>	-	12,818	-

\*Refer to notes 1(g) and 24 for detail.

### 13. Creditors: amounts falling due within one year

	<b>2017 Consolidated Group</b>	<b>2017 Company</b>	<b>2016 Consolidated Group</b>	<b>2016 Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>1,266</b>	<b>1,266</b>	736	622
Taxation & social security	<b>2,862</b>	<b>2,635</b>	839	85
Other creditors	-	<b>142</b>	382	261
Pensions payable	-	-	1	-
Amount owed to other group companies	-	<b>102,105</b>	-	14,913
Accruals	<b>2,673</b>	<b>1,170</b>	10,881	1,412
Deferred income	<b>1,770</b>	-	1,364	-
Loan from associated company's	<b>101,781</b>	-	-	-
<b>Total</b>	<b>110,352</b>	<b>107,318</b>	14,203	17,293

### 14. Provisions

<b>Group and Company</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
	<b>Dilapidations</b>	<b>Total</b>
Balance at 1 January 2017	251	<b>251</b>
Provisions made during the year	58	<b>58</b>
Provisions used during the year	(36)	<b>(36)</b>
<b>Balance at 31 December 2017</b>	<b>273</b>	<b>273</b>

Group and Company	2016	2016
	£'000	£'000
	Dilapidations	Total
Balance at 1 January 2016	489	489
Provisions made during the year	48	48
Provisions released during the year	(109)	(109)
Provisions used during the year	(177)	(177)
Balance at 31 December 2016	251	251

**15. Share capital**

	2017	2016
	£'000	£'000
<b>Authorised, Allotted, called-up and fully paid</b>		
1,157,129,000 (2016: 1,083,129,000) Ordinary shares of £1 each	1,157,129	1,083,129
<b>Total</b>	<b>1,157,129</b>	<b>1,083,129</b>

**16. Minority interest**

	2017
	£'000
As at 1 January 2017	55
Investment in subsidiary undertakings	9
As at 31 December 2017	64
	2016
	£'000
As at 1 January 2016	45
Investment in subsidiary undertakings	10
As at 31 December 2016	55

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 £6,778 (2016: £6,841) contributed by S Welton.

**17. Reserves**

<b>Group</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
As at 1 January 2017	(34,143)	(34,143)
Gain on ordinary activities for the year (after taxation)	105,323	105,323
<b>As at 31 December 2017</b>	<b>71,180</b>	<b>71,180</b>

<b>Group</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
As at 1 January 2016	(34,628)	(34,628)
Gain on ordinary activities for the year (after taxation)	485	485
<b>As at 31 December 2016</b>	<b>(34,143)</b>	<b>(34,143)</b>

<b>Company</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
As at 1 January 2017	(127,245)	(127,245)
Loss on ordinary activities for the year (after taxation)	(40,870)	(40,870)
<b>As at 31 December 2017</b>	<b>(168,115)</b>	<b>(168,115)</b>

<b>Company</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
As at 1 January 2016	(93,056)	(93,056)
Loss on ordinary activities for the year (after taxation)	(34,189)	(34,189)
<b>As at 31 December 2016</b>	<b>(127,245)</b>	<b>(127,245)</b>

## 18. Commitments

There are no capital commitments as at 31 December 2017.

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

Group and Company	Land and buildings	
	2017	2016
	(as restated)	
	£'000	£'000
Amounts payable:		
Within one year	1,199	1,054
In two to five years	4,513	3,565
In over five years	3,486	2,901

Lease commitments as at 31 December 2016 have been restated due to an error in the financial statements for the year ended 31 December 2016 whereby lease commitments were disclosed under old UK GAAP requirements as follows: payments committed for the next year were analysed between those in which the commitment expires within that year; in two to five years, and in over five years from the balance sheet date. Under FRS102, the requirement is to disclose the future minimum lease payments for every period (i.e. amounts payable within one year; in two to five years, and in over five years) from the balance sheet date. This error affected the lease commitment disclosure only and has £nil effect on net assets and profit after tax as at and for the year ended 31 December 2016.

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 2017, the Group had committed to additional funding totalling £22,048,000 (2016: £20,915,000) to 15 (2016: 9) 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 £115,000 (2016: £179,000) during the period. The balance on deposit at the period end was £65,334,000 (2016: £87,070,000). All transactions have been made on an arm's length basis.

During the year, the Company made capital contributions to BGF Investments LP of £50,000 (2016: £50,000) and BGF Ventures LP of £18,000 (2016: £3,000). 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, the Company advanced long term loans to BGF Investments LP and BGF Ventures LP to fund the purchase of the Group's investments. This loan is repayable out of the proceeds of these investments and has no fixed repayment schedule. The balances remaining payable on these loans at year end were £948,170,310 and £72,286,687 respectively.



At as 31 December 2017 Business Growth Fund Plc has intercompany balances with other entities within the Group: BGF Services Limited (£7,416,347) (2016: (£14,912,635)) for employee related services, BGF Investment Management Limited (£6,414,091) (2016: Nil) in relation to asset management fees and BGF Group Limited (£88,274,274) (2016: Nil) in relation to funds drawn for investment and operating activities.

## 20. Immediate and ultimate parent undertaking

At 31 December 2017, the Company's immediate and ultimate parent undertaking was BGF Group Limited, a company incorporated in England and Wales. The financial statements of BGF Group Limited can be obtained from 13-15 York Buildings, London, WC2N 6JU.

## 21. 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.

### 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 2017 would have resulted in an increase to shareholders' funds of £54,947,000 (2016: £41,155,000). A 5% decrease in valuations would have decreased shareholders' funds by an equal amount.

### 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.

Group	Total Portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	%	%	Days	Days
Loan stock						
- exposed to fixed interest rate risk	573,593	432,609	9.39	10.0	2,060	2,159

As at 31 December 2017, the Group has cash balances of £65,334,000 (2016: £87,070,000) on deposit. Interest on these deposits is variable at LIBOR less 0.15%.

## 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 Company has in place a monitoring procedure in respect of counterparty risk which is reviewed on an on-going basis. The maximum credit risk exposure at the balance sheet date is best represented by the carrying value.

As at 31 December 2017, the Group and Company had the following credit risk exposure:

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at bank and on hand	71,812	65,426	87,308	87,145
Loan stock	573,593	-	432,609	-
Interest, dividends and other receivables	11,183	2,090	34,402	1,680
<b>Total</b>	<b>656,588</b>	<b>67,516</b>	<b>554,319</b>	<b>88,825</b>

Substantially all of the cash of the Group and the Company is held by Barclays Bank plc. As at 31 December 2017, £6,258,000 (2016: £nil) was held in our lawyers' bank accounts prior to completion of an investment. The Company monitors the credit quality and financial position of Barclays regularly and would seek to move the cash holdings if this position deteriorated.

The Company 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 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. Restatement of 2016 Investments and Debtors

Investments and Debtors for the year ended 31 December 2016 have each been restated by £23,783,000. This is due to a change in accounting policy whereby loan investment interest income (previously presented within investments) is now considered to be more appropriately recognised within debtors as it is initially considered to be recoverable over the life of the investment. Only interest anticipated to be

received only on exit is still presented within investments as explained in note 1(g). The net effect of this adjustment is £nil on net assets and profit after tax for the year ended 31 December 2016.

	As reported 31 December 2016 £'000	As restated 31 December 2016 £'000
Interest income receivable	-	23,783
Investments	959,690	935,907

## 25. Subsequent events

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

## 26. 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 principal subsidiaries of BGF at the end of the year 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 Investments LP	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	Partnership Interest	-	-
BGF Ventures LP	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	Partnership Interest	-	-

### 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.

The significant holdings in undertakings of BGF 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 £
Benefex Holdings Limited	Mountbatten House, Grosvenor Square, Southampton, Hampshire, SO15 2JU	Indirect	A Ordinary of £0.01 each	6,408	100	64
STATS (UK) Ltd	7 - 9 Bon Accord Crescent, Aberdeen, AB11 6DN	Indirect	A Ordinary of £0.01 each	34,179	100	342
Barburrito Limited	65 Deansgate, Manchester, M3 2BW	Indirect	A Ordinary of £1 each	257,281	99	257,281
M-Squared Lasers Limited	Venture Building 1 Kelvin Campus, West of Scotland Science Park, Maryhill Road, Glasgow, G20 0SP	Indirect	A Ordinary of £0.01 each	1,846,855	100	18,469
Wear Inns Limited	The Old Brewery, Castle Eden, Hartlepool, Cleveland, TS27 4SU	Indirect	G Ordinary of £0.001 each	95,274	100	95
Meika Ltd	44 Portman Road, Reading, Berkshire, RG30 1EA	Indirect	A Ordinary of £0.01 each	4,745	100	47
Cennox Holdings Limited	Unit 11 & 12, Admiralty Way, Camberley, Surrey, GU15 3DT	Indirect	A Ordinary of £1 each	48,830	100	48,830
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
SHG (Care Villages) Limited	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	B Ordinary of £0.01 each	371,788	100	3,718
SHG (Care Villages) Limited	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	C Ordinary of £0.01 each	53,025	100	530
AFG Media Ltd	25 Silvermills Court, Henderson Place Lane, Edinburgh, EH3 5DG	Indirect	A Ordinary of £0.00005 each	16,157	100	1
Workshare Technology Holdings Limited	20 Fashion Street, London, E1 6PX	Indirect	Series A shares of £0.0001 each	622,931	36	62
Decision Technologies Limited	First Floor, High Holborn House, 52 – 54 High Holborn, London, WC1V 6RL	Indirect	A Ordinary of £0.001 each	13,320,428	100	13,320
SHS Integrated Services Limited	C/O Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	Indirect	A Ordinary of £1 each	1	100	1

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Camino Leisure Holdings Limited	1-3 Manor Road, Chatham, England, ME4 6AE	Indirect	A Ordinary of £1 each	1,215	100	1,215
Camino Leisure Holdings Limited	1-3 Manor Road, Chatham, England, ME4 6AE	Indirect	A1 Ordinary of £1 each	4,090	100	4,090
TD4 Brands Limited	Abbots Moss Hall, Oakmere, Cheshire, CW8 2ES	Indirect	A Ordinary of £1 each	409,553	100	409,553
TD4 Brands Limited	Abbots Moss Hall, Oakmere, Cheshire, CW8 2ES	Indirect	C Ordinary of £1 each	133,885	100	133,885
Celaton Limited	Noble House, Capital Drive, Milton Keynes, MK14 6QP	Indirect	B Ordinary of £0.01 each	77,777	100	778
Aubin Limited	13 Queens Road, Aberdeen, AB15 4YL	Indirect	A Ordinary of £1 each	2,269	100	2,269
Magmatic Limited	Shaftesbury Chapel, Union Road, Bristol, BS2 0LP	Indirect	A Ordinary of £0.01 each	42,317	100	423
Petrotechnics Limited	Pavilion 3 Craigshaw Business Park Craigshaw Road Aberdeen AB12 3QH	Indirect	A Ordinary of £0.01 each	1,024,971	100	10,250
Betterbathrooms (UK) Limited	Horizon Park, Greenfold Way, Leigh, Lancashire, WN7 3XH	Indirect	A Ordinary of £0.001 each	34,509	100	35
Urdgrup Limited	10 Furnival Street London EC4A 1AB on 22 September 2017	Indirect	A Ordinary of £0.01 each	93,599,542	100	935,995
PTS Consulting Group Limited	60 New Broad Street, 5th Floor, London, EC2M 1JJ	Indirect	B1 Ordinary of £1 each	351,724	100	351,724
Duncan and Todd (Group) Limited	14 Crowne Terrace, Aberdeen, AB11 6HE	Indirect	A Ordinary of £1 each	311,700	100	311,700
Duncan and Todd (Group) Limited	15 Crowne Terrace, Aberdeen, AB11 6HE	Indirect	A1 Ordinary of £0.001 each	62,500	100	63
Art-Line Limited	66-67 Colebrooke Row, Islington, London, N1 8AB	Indirect	A Ordinary of £0.000001 each	1,336,460	100	1
Palmer Hargreaves Holdings Limited	18 The Parade, Leamington Spa, Warwickshire, CV32 4DW	Indirect	A Ordinary of £1 each	4,338	100	4,338
Thames Card Technology Limited	Thames House Arterial Road, Rayleigh, Essex, SS6 7UQ	Indirect	A Ordinary of £1 each	48,583	100	48,583

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
ACS Clothing Group Limited	6 Dovecote Road, Centralpoint Logistics Park, Motherwell, North Lanarkshire, Scotland, ML1 4GP	Indirect	A Ordinary of £2 each	20,707	100	20,707
Mono Global Group Limited	36 Culzean House Renfield Street Glasgow on 27 February 2018	Indirect	A Ordinary of £0.25 each	676,244	100	169,061
Jumpstart (U.K.) Limited	6 Atholl Crescent, Edinburgh, EH3 8HA	Indirect	A Ordinary of £0.001 each	127,484	100	127
Spex Group Holdings Limited	Blackwood House, Union Grove Lane, Aberdeen, AB10 6XU	Indirect	Ordinary of £0.01 each	5,244	100	52
3Sun Group Limited	3 Sun House Boundary Road, Southtown, Great Yarmouth, Norfolk, NR31 0FB	Indirect	A Ordinary of £1 each	4,847	100	4,847
Rutland Cycling 2013 Limited	310 Wellingborough Road, Northampton, Northamptonshire, NN1 4EP	Indirect	A Ordinary of £0.01 each	714	100	7
Task Fronterra Geoscience Limited	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, AB10 1DQ	Indirect	A Ordinary of £0.001 each	66,891	100	67
T.C.L Holdings (Parent) Limited	Tcl House 7 Outrams Wharf Little Eaton Derby DE21 5EL	Indirect	A Ordinary of £0.00001 each	3,200,000	100	32
T.C.L Holdings (Parent) Limited	Tcl House 7 Outrams Wharf Little Eaton Derby DE21 5EL	Indirect	A Preferred Ordinary of £0.00001 each	800,000	82	8
Flowline Limited	Rawreth Industrial Estate, Rawreth Lane, Rayleigh, Essex, SS6 9RL	Indirect	A Ordinary of £1 each	14,890	100	14,890
Horbury Group Limited	South Grove House, South Grove, Rotherham, South Yorkshire, S60 2AF	Indirect	A Ordinary of £1 each	3,842	100	3,842
VirtualPie Limited	The Fluid Engineering Centre Cranfield, Bedfordshire, MK43 0AJ	Indirect	A Ordinary of £1 each	66,389	100	66,389

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Crossco (1370) Limited	Windermere MRF, Thomlinson Road, Hartlepool, United Kingdom, TS25 1NS	Indirect	A Ordinary of £1 each	72,000	100	72,000
Semafone Limited	Panel House Park Street Guildford, GU1 4HN	Indirect	A2 Ordinary of £0.01 each	374,893	65	3,749
Tasker Investments Limited	Unit 3 Evans Business Centre, Hartwith Way, Harrogate, North Yorks, HG3 2XA	Indirect	A Ordinary of £0.01 each	57,114	100	571
Import Fashion Solutions Limited	KPMG 1 Sovereign Square Street Leeds West Yorkshire, LS1 4DA	Indirect	Ordinary	5,363	20	54
Wright Leisure Limited	Unit 1, Kirkstall Industrial Estate, Kirkstall Road, Leeds, LS4 2AZ	Indirect	A Ordinary of £0.001 each	410	100	0
Wright Leisure Limited	Unit 1, Kirkstall Industrial Estate, Kirkstall Road, Leeds, LS4 2AZ	Indirect	B Ordinary of £0.001 each	50	100	-
Wright Leisure Limited	Unit 1, Kirkstall Industrial Estate, Kirkstall Road, Leeds, LS4 2AZ	Indirect	C Ordinary of £0.001 each	80	100	-
Wright Leisure Limited	Unit 1, Kirkstall Industrial Estate, Kirkstall Road, Leeds, LS4 2AZ	Indirect	C1 Ordinary of £0.001 each	40	100	-
Renal Services (UK) Limited	22A Ives Street, London, SW3 2ND	Indirect	A Ordinary of £1 each	856,201	100	856,201
MCFL Holdings Limited	Block B, Imperial Works, Perren Street, London, NW5 3ED	Indirect	A Ordinary of £0.000005 each	3,064,000	100	15
MCFL Holdings Limited	Block B, Imperial Works, Perren Street, London, NW5 3ED	Indirect	C Ordinary of £0.000005	1,612,940	58	8
East Sussex Press Limited	Beacon House, Brambleside, Bellbrook Park Uckfield, East Sussex, TN22 1PL	Indirect	A Ordinary of £0.01 each	390,000	100	3,900
SDL Property Services Group Limited	3-4 Regan Way, Chetwynd Business Park, Chilwell, Nottingham, NG9 6RZ	Indirect	A Ordinary of £1 each	529,159	100	529,159

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
McMillan Williams Solicitors Limited	MW House, 41 Chipstead Valley Road, Coulsdon, Surrey, CR5 2RB	Indirect	A Ordinary of £1 each	3,798	100	3,798
Vysiion Limited	Connect 17 Avon Way, Langley Park, Chippenham, Wiltshire, SN15 1GG	Indirect	A Ordinary of £1 each	82,363	100	82,363
Vysiion Limited	Connect 17 Avon Way, Langley Park, Chippenham, Wiltshire, SN15 1GG	Indirect	D Ordinary of £0.01 each	4,000	50	40
SLG Allstars Limited	Liberty House, Saint Catherine Street, Gloucester, GL1 2BX	Indirect	A Ordinary of £1 each	5,400	100	5,400
The Coaching Inn Group Limited	Friars House, Quaker Lane, Boston, Lincolnshire, PE21 6BZ	Indirect	A Ordinary of £0.01 each	21,028	100	210
The Rethink Group Limited	The Crane Building, 22 Lavington Street, London, SE1 0NZ	Indirect	A Ordinary of £0.001 each	25,000,000	47	25,000
EVGH Limited	Trafalgar House, Kemble Enterprise Park, Kemble, Cirencester, Gloucestershire, GL7 6BQ	Indirect	A Ordinary of £0.01 each	530,210	100	5,302
EVGH Limited	Trafalgar House, Kemble Enterprise Park, Kemble, Cirencester, Gloucestershire, GL7 6BQ	Indirect	Deferred Ordinary of £0.01 each	52,490,790	18	524,908
EVGH Limited	Trafalgar House, Kemble Enterprise Park, Kemble, Cirencester, Gloucestershire, GL7 6BQ	Indirect	Ordinary of £0.01 each	1,135,793	39	11,358
LCV Hire Solutions Limited	22 Belton Road West 22 Belton Road West Loughborough LE11 5TR	Indirect	A Ordinary of £1 each	1,121,005	100	1,121,005
LCV Hire Solutions Limited	23 Belton Road West 22 Belton Road West Loughborough LE11 5TR	Indirect	Ordinary of £0.0001 each	63,542	21	6
Media Based Attractions Limited	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, DY6 7UL	Indirect	Deferred of £0.01 each	3,078,000	34	30,780



Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Media Based Attractions Limited	38 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, DY6 7UL	Indirect	E Ordinary of £0.00001 each	356	7	0
Media Based Attractions Limited	39 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, DY6 7UL	Indirect	A Ordinary of £0.01 each	371,739	100	3,717
Prodrive Composites Limited	Precedent Drive, milyn Keynes, Buckinghamshire, MK13 8PE	Indirect	A Ordinary of £0.00001 each	35,000	100	0
PPS Equipment Holdings Limited	Units 8-13 Marchington Industrial Estate, Stubby Lane, Marchington, Uttoxeter, Staffordshire, ST14 8LP	Indirect	A Ordinary of £0.01 each	26,225	100	262
FCG Worldwide Limited	20 St Thomas Street, London, SE1 9BF	Indirect	A Ordinary of £0.01 each	30,000	100	300
Total Recycling Services Limited	Lingfield Way, Yarm Road Business Park, Darlington, Co Durham, DL1 4PZ	Indirect	A Ordinary of £0.0001 each	2,805,000	100	28
Keenan (Recycling) Limited	6-7 Queens Terrace, Aberdeen, AB10 1XL	Indirect	A Ordinary of £0.01 each	4,590	100	46
Giggling Restaurants Limited	2 The Billings, Walnut Tree Close, Guildford, GU1 4UL	Indirect	A Ordinary of £0.00002 each	29,910	100	1
EEL Holdings Limited	Unit 3, Arlington Court, Cannel Row, Silverdale, Newcastle-under-Lyme, Staffordshire, ST5 6SS	Indirect	A Ordinary of £0.01 each	7,380	100	74
Hawk Plant (UK) Limited	Charleston House, Cruckmoor Lane, Prees Green, Whitchurch, Shropshire, SY13 2BS	Indirect	A Ordinary of £1 each	245	100	245
Adestra Limited	Holywell House, Osney Mead, Oxford, Oxfordshire, OX2 0ES	Indirect	A Ordinary of £0.000001 each	59,300,223	100	59

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Georgia GC Holdings Limited	Freemantle House, 2 Oakwater Avenue, Cheadle Royal Business Park, Cheadle, SK8 3SR	Indirect	A Ordinary of £1 each	1,349,333	100	1,349,333
Olive Communication Solutions Limited	Olive House Mercury Park, Woodburn Green, High Wycombe, Buckinghamshire, HP10 0HH	Indirect	D Ordinary of £0.001 each	516,200	100	516
RMS International Limited	Grafix House 6 Boundary Road, Pendlebury, Swinton, Manchester, England, M27 4EQ	Indirect	A Ordinary of £0.01 each	2,006,835	100	20,068
Paintbox Group Limited	36-44 Melchett Road, Kings Norton, Birmingham, West Midlands, B30 3HS	Indirect	A Ordinary of £1 each	14,250	100	14,250
Solid Solutions Management Limited	Olympus House Olympus Avenue, Leamington Spa, Warwickshire, England, CV34 6RJ	Indirect	A Ordinary of £0.0001 each	322,300	100	32
Anstey Horne & Co. Limited	4 Chiswell Street, London, EC1Y 4UP	Indirect	A Ordinary of £1 each	3,527	100	3,527
Nonwovenn Ltd	BFF Business Park, Bath Road, Bridgwater, Somerset, TA6 4NZ	Indirect	C Ordinary of £0.001 each	31,875	100	32
M.P.K. Group Limited	MPK House, 318 Melton Road, Leicester, LE4 7SL	Indirect	A Ordinary of £1 each	39,999	100	39,999
Pharmacy2U Limited	1 Hawthorn Park, Coal Road, Leeds, LS14 1PQ	Indirect	A2 Ordinary of £0.10 each	1,903,579	100	190,358
Pharmacy2U Limited	2 Hawthorn Park, Coal Road, Leeds, LS14 1PQ	Indirect	A1 Ordinary of £0.10 each	3,324,356	100	332,436
Pharmacy2U Limited	3 Hawthorn Park, Coal Road, Leeds, LS14 1PQ	Indirect	F Ordinary of £0.10 each	1,935,445	63	193,545
High Access Maintenance Limited	239 Ashly Road, Hale, Altrincham, Greater Manchester, United Kingdom, WA15 9NE	Indirect	A Ordinary of £0.005 each	2,061	100	10

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Ocee International Limited	Design House, Caswell Road, Brackmills Industrial Estate, Northampton, Northamptonshire, NN4 7PW	Indirect	A Ordinary of £1 each	4,491	100	4,491
Johnsons Aggregates and Recycling Limited	Johnsons Recycling Centre, Crompton Road, Off Merlin Way, Ilkeston, Derbyshire, DE7 4BG	Indirect	A Ordinary of £0.10 each	5,198	100	520
Kids Planet Day Nurseries Limited	231 Higher Lane, Lymm, United Kingdom, WA13 0NA	Indirect	A Ordinary of £0.01 each	9,950	100	100
Wales Environmental Holdings Limited	The Old Airfield, Templeton, Narberth, Pembrokeshire, SA67 8SR	Indirect	A Ordinary of £1 each	51,286	100	51,286
River Ridge Holdings Limited	56 Craigmore Road Garvagh, Coleraine, United Kingdom, BT51 5HF	Indirect	A Ordinary of £1 each	2,684	100	2,684
Coppergreen Developments Limited	Beeley House , Unit 26 Wharnccliffe Industrial Complex, Station Road, Deepcar, Sheffield, S36 2UZ	Indirect	A Ordinary of £0.0001 each	963,966	100	96
APSU USA Limited	15 Warwick Road Stratford upon Avon Warwickshire CV37 6YW	Indirect	A Ordinary of £0.0001 each	34,750	100	3
Bar Soba Group Ltd	3/1 135 Buchanan Street, Glasgow, United Kingdom, G1 2JA	Indirect	A Ordinary of £0.01 each	4,191	100	42
Woodall Nicholson Holdings Limited	Colmil Works Hart Common, Wigan Road, Westhoughton, Bolton, Lancashire, BL5 2EE	Indirect	G Ordinary of £0.001 each	249,000	100	249
Hoop Industries Ltd	Fourth Floor, 9-10 Charterhouse Buildings, Goswell Road, London, EC1M 7AN	Indirect	A Ordinary of £0.01 each	23,342,670	95	233,427
Setfords Law Ltd	Jenner House, 1a Jenner Road, Guildford, Surrey, GU1 3PH	Indirect	A Ordinary of £0.00001 each	520,000	100	5

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Virtual1 Limited	6th Floor Alphabeta, 14-18 Finsbury Square, London, EC2A 1BR	Indirect	A Ordinary of £0.01 each	24,345	100	243
Roxor Group Limited	Shulmans llp, 10 Wellington Place, Leeds, United Kingdom, LS1 4AP	Indirect	A Ordinary of £1 each	4,999	100	4,999
Frontrow Energy Technology Group Limited	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, AB10 1DQ	Indirect	A Ordinary of £0.0001 each	10,000,000	100	1,000
Inoapps Limited	2 Fountainhall Road, Aberdeen, AB15 4DT	Indirect	A Ordinary of £0.01 each	20,890	100	209
Inoapps Limited	2 Fountainhall Road, Aberdeen, AB15 4DT	Indirect	C Ordinary of £0.01 each	3,526	100	35
Canburg Limited	The Hopton Works, Hopton Industrial Estate, London Road, Devizes, Wiltshire, SN10 2EU	Indirect	A Ordinary of £1.00 each	124,320	100	124,320
Gymbox Holdco Limited	38 New Kent Road London SE1 6TJ	Indirect	A Ordinary of £1.00 each	26,102	100	26,102
International Spray Solutions Limited	Midway House, Staverton Technology Park Herrick Way, Staverton, Cheltenham, United Kingdom, GL51 6TQ	Indirect	A Ordinary of £0.00001 each	400	100	0
Sentric Music Limited	1st Floor, 29 Parliament Street, Liverpool, L8 5RN	Indirect	D Ordinary of £0.10 each	3,095	100	310
VTL Group (Holdings) Limited	St Thomas Road, Huddersfield, West Yorkshire, HD1 3LG	Indirect	A Ordinary of £1 each	7,440	100	7,440
Prezola Limited	Prezola House, Woodlands Industrial Estate Eden Vale Road, Westbury, Wiltshire, BA13 3QS	Indirect	A Ordinary of £0.001 each	102,171	100	102
Milk Visual Effects Limited	Threeways House 40-44 Clipstone Street London W1W 5DW	Indirect	A Ordinary of £1 each	200	100	200
Movell- The Bus Company Limited	5th Floor, One New Change, London, United Kingdom, EC4M 9AF	Indirect	A Ordinary of £0.01 each	173,214	100	1,732

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, PO15 7FX	Indirect	A Ordinary of £1 each	2,680	100	2,680
Monodraught Topco Limited	Halifax House, Halifax Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3SE	Indirect	A Ordinary of £1 each	39,998	100	39,998
Entier Limited	The Olive House Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire, Scotland, AB32 6UF	Indirect	A1 Ordinary of £1 each	181,759	100	181,759
Broadband Satellite Services Limited	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	A Ordinary of £1 each	21,625	100	21,625
Broadband Satellite Services Limited	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	C Ordinary of £1 each	9,850	100	9,850
Record Sure Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	A Ordinary of £0.01 each	35,115	100	351
Record Sure Holdings Limited	7th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	C Ordinary of £0.01 each	68,201	100	682
The Consulting Consortium Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	A Ordinary of £0.01 each	31,790	100	318
The Consulting Consortium Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	C Ordinary of £0.01 each	68,201	100	682
The Consulting Consortium Holdings Limited	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	B Ordinary of £0.01 each	32,852	80	329
Bob & Berts Group Limited	15 Duke Street, Ballymena, County Antrim, Northern Ireland, BT43 6BL	Indirect	A Ordinary of £1 each	2,469	100	2,469
Roc Transformation (Holdings) Limited	Wharf House Wharf Street Newbury RG14 5AP	Indirect	A Ordinary of £0.10 each	241,300	100	24,130
Medigold Health Consultancy Limited	Medigold House, Queensbrige, Northampton, NN4 7BF	Indirect	A Ordinary of £1 each	7,800	100	7,800

Company Name	Registered Office	Holding	Class of Share	Number of shares	BGF % of class of shares	Nominal value £
Sophia Webster Limited	Zetland House, 109 - 123 Clifton Street, London, England, EC2A 4LD	Indirect	B Ordinary of £1 each	2,063	100	2,063
Sophia Webster Limited	Zetland House, 109 - 123 Clifton Street, London, England, EC2A 4LD	Indirect	A Ordinary of £1 each	1,465	12	1,465
ROVOP Holdings Limited	Silvertrees Drive, Westhill, Aberdeen, United Kingdom, AB32 6BH	Indirect	A Ordinary of £0.01 each	31,169	50	31,169
Evo Holdco Limited	Devonshire House, 60 Goswell Road, London, United Kingdom, EC1M 7AD	Indirect	A Ordinary of £1 each	37,999	100	37,999
Chase Distillery (Holdings) Limited	Rosemaund Farm, Preston Wynne, Hereford, Herefordshire, United Kingdom, HR1 3PG	Indirect	A Ordinary of £0.00001 each	9,884,998	100	99
Filmore and Union Limited	17 Sandbeck Park, Sandbeck Lane, Wetherby, West Yorkshire, LS22 7TW	Indirect	A1 Ordinary of £0.00001 each	7,671,049	100	77
Hobs Group Limited	14 Castle Street, Liverpool, England, L2 ONE	Indirect	A Ordinary of £1 each	178,640	100	178,640
Spark Topco Limited	1 St James Court, Whitefriars, Norwich, Norfolk, United Kingdom, NR3 1RU	Indirect	A Ordinary of £1 each	2,200	100	2,200
CS Food Group Limited	Cooplunds Bakery Caxton Way, Eastfield, Scarborough, North Yorkshire, United Kingdom, YO11 3YT	Indirect	A Ordinary shares of £1 each	3,708	100	3,708
Crepeaffaire Holdings Limited	Pennant House 1-2 Napier Court, Napier Road, Reading, United Kingdom, RG1 8BW	Indirect	A Ordinary of £0.01 each	1,281,440	100	12,814
Revital Holdings Limited	71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ	Indirect	A Ordinary of £1 each	56,467	100	56,467
Tickx Limited	Fifth Floor, 11 Leadenhall Street, London, Great Britain, EC3V 1LP	Indirect	A Ordinary of £0.002 each	35,001	100	70

<b>Company Name</b>	<b>Registered Office</b>	<b>Holding</b>	<b>Class of Share</b>	<b>Number of shares</b>	<b>BGF % of class of shares</b>	<b>Nominal value £</b>
The DB Food Group Limited	Unit L Fulcrum Business Park, Vantage Way, Poole, England, BH12 4NU	Indirect	A Ordinary of £0.01 each	31,250	100	313