

BGF

Fuelling the engine of growth

Annual Report 2022

Our mission

A different way forward in equity investing

BGF's mission is to deliver a **positive impact**, through our investment, support and influence, to a large and diversified portfolio of growth companies, which are themselves positively contributing to the wellbeing of the planet, people and prosperity. We call this **good growth**. We support our portfolio in fulfilling their growth ambitions, whilst they demonstrate strong leadership and governance, build inclusive places to work, promote rewarding jobs and contribute to the economic resilience of the UK and Ireland. Because of the **diversified** nature of the portfolio, our patient capital and evergreen balance sheet, BGF's support is far-reaching, meaningful, long-term and sustainable.

Positive impact

We invest in businesses that exemplify 'good growth'. These are companies that lead well, grow sustainably, and take thoughtful steps to go further, together.

→ See page 21

Good growth

From energy storage devices to zero-emission boilers, we have invested £235m in businesses in the climate and sustainability space.

→ See page 19

Diversified

BGF backs companies across multiple sectors and every region of the UK and Irish economies.

→ See page 27

Our story and model

Our story.

Born out of the global financial crisis, BGF was founded in 2011 by our bank shareholders Barclays, HSBC, Lloyds Banking Group, NatWest and Standard Chartered, which collectively provided £2.5bn to invest in small and mid-sized businesses. In Ireland, we are backed by the Ireland Strategic Investment Fund, AIB, Bank of Ireland and Ulster Bank.

Learn more: [Our story](#)

Our model.

BGF initially invests long-term, minority growth capital of between £1-20m for an equity share of between 10-40%.

Learn more: [What we do](#)

- 1. BGF supports early-stage, growth-stage and quoted businesses with minority, long-term, patient capital.
- 2. We back management teams we admire and empower them to grow at the pace that’s appropriate for them.
- 3. We embed environmental, social and governance (“ESG”) considerations deeply into our business and our investment approach.

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2022 Highlights

Successful exits to fund new investments

Company spotlight

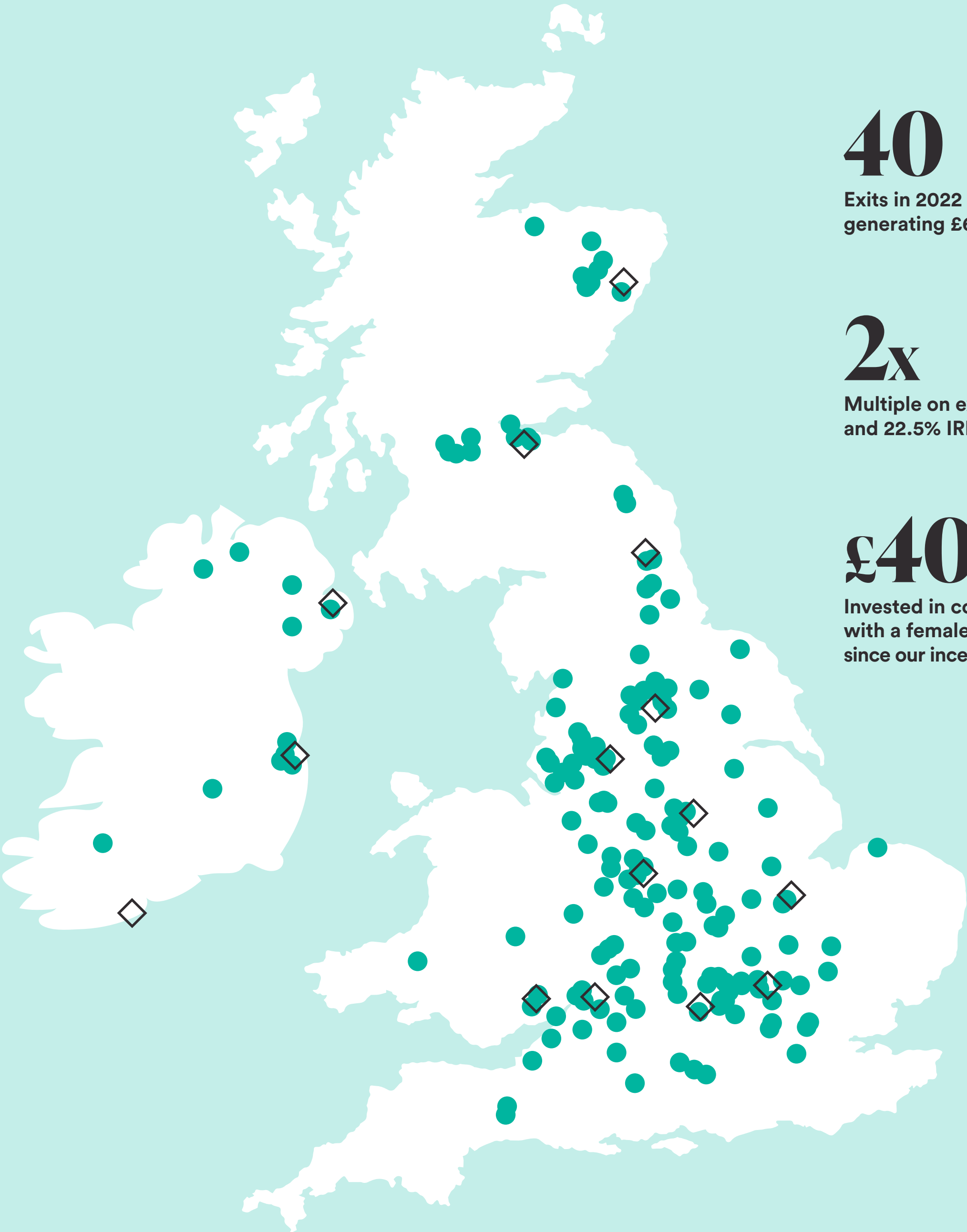


St Pierre Groupe
Paul Baker, co-founder
Investment: £8m

+85%
Internal rate of return
and 9.6x money multiple

Manchester-based bakery business St Pierre Groupe, co-founded by Paul Baker (pictured), received £8m from BGF in 2018. After significant international expansion, the business achieved an exceptional exit in 2022 when it was acquired by multinational baker Grupo Bimbo. BGF realised a 9.6x return and a 85% IRR on its investment.

 Learn more: [Stories of Growth, St Pierre Groupe](#)



40
Exits in 2022
generating £676m

£444m
Invested in 45 new
companies in 2022

2x
Multiple on exits
and 22.5% IRR

£2.69bn
Net asset value at year end

£400m
Invested in companies
with a female founder
since our inception in 2011

73%
Of capital invested since
2011 deployed outside
London and the South East

● Portfolio companies
◇ BGF regional offices

2022 Highlights continued

Economic rebalancing is what we do

BGF completed investments across the UK and Ireland in 2022



Arc Inspirations, Yorkshire

Leeds-based Arc Inspirations, which operates three brands and 19 bar venues in the North of England, accelerated its expansion after securing £19m from BGF.



Aiber, Edinburgh

Led by CEO Anne Roberts (pictured), Aiber received £1.6m from BGF to roll out its ground-breaking first aid software, designed to support medical emergencies in remote environments.



Clarke Group, County Antrim

BGF invested £5m in Clarke Group, a building façade specialist based in Ballymena, Northern Ireland, to support growth across the UK and Ireland. *Pictured: Clarke Group management team with BGF investor Chris Nixon*



BBC Maestro, Wiltshire

BBC Maestro is an online education platform offering masterclasses with the likes of music producer Mark Ronson (pictured). BGF contributed to a multi-million-pound funding round.



Cornerstone VC, London

Cornerstone VC launched a £20m fund, backed by investors including BGF, to invest in entrepreneurs from diverse backgrounds. *Pictured (left to right): partners Edwin Appiah, Rodney Appiah and Wilfred Fianko.*



Cambridge GaN Devices, Cambridge

Fabless semiconductor maker Cambridge GaN Devices, led by founder and CEO Dr Giorgia Longobardi (pictured) raised \$19 million in a Series B funding round from investors including BGF.



KOMI Group, Manchester

KOMI Group, an award-winning social media business in Manchester, received significant BGF investment to support growth. *Pictured (left to right): managing director Sam Lenehan and CEO Andrew Trotman.*



Revive Active, County Galway

Galway-based supplement brand Revive Active received a €12.6m equity investment to boost the company's international exports. *Pictured: Dáithí O'Connor, founder and managing director.*

Non-Executive Chair's statement

When we founded BGF in 2011, the economy was reeling from the global financial crash. Today, it is recovering from the Covid pandemic, a huge spike in energy prices, and a cost-of-living crisis. To translate a famous French saying: the more things change, the more they stay the same.

£3.6bn
invested by BGF since we were
set up in 2011



“

There has never been a greater necessity to drive long-term investment by connecting growing companies, which are the lifeblood of the recovering economy, with the capital they need to prosper.

Stephen Welton
Non-Executive Chair

Twelve years of building an ecosystem

Continued →

Non-Executive Chair’s statement continued

Of course, the situation is not completely similar. In fact, the existential challenge of climate change, sluggish growth and low productivity, and difficult questions on energy security make today perhaps an even more challenging time – for businesses, investors, policy makers.

There is widespread agreement on the urgent need to drive far greater long-term investment into the economy for both public and private companies. Connecting growth companies with capital is fundamental to our recovery.

As we move into our twelfth year, how is BGF as an organisation evolving to face and overcome the challenges? The most important thing to note is that alongside a huge increase in deployed capital, a significant expansion of our teams, and a massive boost in support provided to entrepreneurs, the BGF model has not substantially changed.

I can evidence this by digging into the BGF archives. If you look at the very first annual review we published, in 2012, we operated six regional offices, employed 35 experienced investors and made 21 investments in that period.

We were a young start-up then, and our thoughts were on the future. Initially set up to invest just £100m annually on a regional basis, our hope was that the BGF model

could expand to make up to 20-30 investments a year in fast-growing companies.

As any investor will tell you, the future doesn’t always meet one’s expectations, but a glance at our [highlights page](#) shows that in 2022 we exceeded these ambitions by a good margin – as we have done consistently in recent years.

That first annual review also revealed the philosophy behind BGF as an organisation, a philosophy that was influenced in such great measure by Sir Nigel Rudd, our first chairman.

Take the headline on page 2 of that annual review, “Bridging the equity gaps”. The phrase expresses well what BGF was set up to do – to close a shortfall in funding for small and mid-sized businesses. As at the end of 2022, BGF has invested more than £3.5 billion in nearly 600 companies to help close that gap – a fantastic achievement that we are all very proud of.

As crucial are the actual cash returns on realisations – the key performance indicator for a business like BGF. Since 2011 we have exited almost 200 investments in total: we do not expect every company to succeed reflective of the risk and challenge in growing young companies, but BGF uses a very diversified investment approach to manage

this risk which is reflected in the total gross internal rate of return (IRR) on all exits of 17% since inception. And this continues to improve with greater diversification and experience in more recent vintages. On investments which have completed since 2016, the exits achieved a gross IRR of 30%. Overall performance is well ahead of our original business plan, in terms of both financial returns and impact.

Clearly, we have delivered on our founding promise. But there is another sense of ‘bridge’ that is also central to BGF’s purposes – building bridges with other organisations in our industry, and creating strong relationships with key stakeholders and policymakers. BGF was not conceived in isolation. We have always operated within a broader investment ecosystem. We work closely with our bank shareholders, who should be complimented for both the vision and huge commitment they have given us as a business. We also work closely with the corporate adviser community and organisations such as the ScaleUp Institute. BGF is only one part of a broader funding system, and for UK and Irish businesses to excel, it’s important for the entire ecosystem to realise its potential.

I’m happy to say BGF is also exploring new ways to expand our own model and broaden our impact

working with others. A good example is the UK Enterprise Funds 1 and 2, which we launched in partnership with Coutts, the private banking arm of our shareholder NatWest. Through these vehicles, we are enabling some private investors to invest alongside BGF, helping to channel more capital to the dynamic growing businesses that need it.

Another exciting way we are broadening our impact beyond an increasing focus on ESG is through the BGF Foundation, an independent charitable foundation dedicated to providing support and funding to smaller regional charities in the UK. See [pages 25 to 26](#) for more information on this important initiative that I am proud to help steer through my position as Chair of the Board of Trustees.

Of course, some things have changed, and one of them is the evolution in the leadership structure of the organisation.

In September 2022, Andy Gregory took on the role of CEO. As of 1 January 2023, I have transitioned from Executive to Non-Executive Chair.

Andy joined in 2011 as regional director for the North of England, becoming chief investment officer in 2021. He has worked tirelessly to build the business into its current healthy shape. I have no doubt the

Company will continue to prosper with him as CEO and with the new additions to the Executive Committee of BGF.

Indeed, when I look across the nearly 200 people who staff this increasingly diverse organisation across all parts of the UK and Ireland, I am confident that BGF is in safe hands. Not only do we benefit from a core group of employees who have been with us from the start, but we are also enjoying a steady stream of new blood that continues to enrich the organisation. Our annual internship programme and first graduate scheme starting this year are two exciting vehicles for bringing talented young people into the business.

Over more than a decade now, BGF has sought to make meaningful and positive difference and our results and impact clearly highlight that. This is a function of the incredible team, past and present, who have created this business and to whom I very grateful. I have no doubt that in the next 12 years we can reach even greater heights.

—
Stephen Welton
Non-Executive Chair

Aiming for net zero: BGF-backed businesses are playing a crucial role in the energy transition, for example by making arrays of solar panels that track the motions of the sun

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I have no doubt that in the next 12 years we can reach even greater heights.



Chief Executive Officer's statement

This is my first annual report since becoming CEO of BGF in September 2022. I want firstly to say how proud and excited I am to be taking the reins at the organisation.

“

I would like to thank our teams, our shareholders, the advisers we work with and, of course, the entrepreneurs we have backed. Your efforts have produced another year of excellent results.

Andy Gregory
Chief Executive Officer

Proud
to take
the reins



Chief Executive Officer’s statement continued

I joined BGF in 2011, before we made our first investment. We have now backed well over 500 companies across the UK and Ireland. It’s been a fantastic journey to get to this point, involving lots of hard work by many people, and I would first like to thank our teams, our shareholders, the advisers we work with and, of course, the entrepreneurs we have backed. Collectively, our efforts have produced another year of excellent results.

There are several reasons to have confidence in BGF’s model. Firstly, and most simply, it remains a model that is unique in the marketplace. BGF’s ability to support early-stage, growth-stage and quoted businesses, all within the same organisation, is a distinctive and valuable asset.

“
The record-breaking results for exit activity last year prove our success in selecting and nurturing businesses that can grow, evolve and generate significant returns upon exit.

Andy Gregory
Chief Executive Officer

Our ability to provide truly long-term funding that flexes to the needs of the business – whether the investment period is 12 months or many years – is something few investment firms can offer. And our essence as a provider of minority capital and minority capital only is something entrepreneurs continue to find attractive.

It is also a model that has reached a significant level of maturity. The record-breaking results for exit activity last year prove our success – across a range of sectors, regions and investment vintages – in selecting and nurturing businesses that can grow, evolve and generate significant returns upon exit. Exits are the measure of an investment company. That we completed 40 last year, generating returns of £676m, was a fantastic achievement. This sum is equivalent to a combined money multiple of 2x and an IRR of 22.5%.

It is fair to say the BGF model is now truly sustainable. A reflection of that is the paying of our maiden dividend in 2022. It is satisfying to deliver on our commitment to our shareholders, which have supported us greatly over the years. I believe this is another sign that the BGF model has reached an important stage of maturity.

Of course, the economic environment continues to throw up challenges. A combination of low or stagnating growth and a cost-of-living crisis together present a difficult backdrop for many. We are glad to be making a contribution to tackling the cost-of-living crisis through the BGF Foundation (see [pages 25 to 26](#)). On the business side, we continue to support our portfolio to help them weather the challenges, as we did during the Covid pandemic.

I think it’s important to strike an optimistic note, however. BGF was born in the aftermath of a financial crisis. Our key attributes – conservative balance sheet, patient capital, a unique funding structure – were designed to allow us to invest throughout market cycles. We can invest when times are good, and we can invest and support scaleup businesses when times are not so good. This is our nature and our purpose, and we believe it is as relevant now as ever.

Continued →

Case study: Coppergreen Leisure Resorts
Sheffield-headquartered holiday park business Coppergreen Leisure Resorts was founded by husband-and-wife team David and Donna Copley (pictured). BGF invested a total of £20.3m starting in 2016 to expand from a single 54-lodge site to a four-park group with approximately 370 lodges. The business was acquired by a private equity-backed holiday park business, Away Resorts, in a deal that was completed at the start of 2022.

 Learn more: [Stories of Growth, Coppergreen Leisure Resorts](#)



Chief Executive Officer’s statement continued

Case study: Uform

BGF’s first exit of a Northern Irish company occurred in 2022 when kitchen component maker Uform completed a deal with Irish private equity fund Cardinal Capital Group. BGF first partnered with Uform in 2019 with a multi-million equity investment to enable founders Eamon (pictured) and Paul Donnelly to accelerate growth. BGF has reinvested in the business and will continue to back the company as a minority shareholder.

Learn more: [Stories of Growth, Uform](#)

“BGF fitted our culture. There was an energy about them. Since BGF came on board, we built a top team that’s second to none.”

Eamon Donnelly
Co-founder, Uform

40%
annual business growth during
BGF’s investment period



“I believe that BGF’s future is bright and I look forward to leading the Company to many more years of success.”

On the topic of purpose, I look forward to continuing to pursue our mission in the years ahead. One area in which we are making strides is in equity, diversity and inclusion. One way this commitment manifests itself is in our hiring. In 2022, BGF welcomed 29 new employees across the whole business, 76% of whom were female and/or from a Black, Asian or Minority Ethnic background.

Another way we deliver on our purpose is in the support we provide portfolio companies at board level. In 2022, 27% of non-executive appointments on the board of portfolio companies were female. Allied to these efforts was our investment in Cornerstone VC, a new £20 million fund investing in entrepreneurs from diverse backgrounds in the UK. Cornerstone VC was born out of black-led angel group Cornerstone Partners.

This same commitment feeds into our drive to instil environmental, social and governance (ESG) factors in our decision-making and in the ethos of the portfolio. See [pages 18 to 27](#) to read about our efforts in this area. In particular, we have achieved numerous successes by connecting portfolio businesses with experts in ESG to solve the problems they face in areas such as energy efficiency.

Another element of our purpose is the way we spread investment across the whole of the UK and Ireland. Since 2011, 73% of the capital we have deployed has gone to businesses based outside London and the South East. This is a proportion that has remained consistent for many years, showing how effective we have been at helping to rebalance the UK and Irish economies away from the capital.

I am sometimes asked if there are any significant shifts in strategy in the works for BGF. My answer is that we are not planning any revolutionary changes. Of course, we will continue to adapt and respond to market changes where necessary. On the investment side, we continue to target sectors of strategic importance. These include life sciences, on the one hand, where the UK and Ireland has a global leading role, and climate and sustainability investments on the other. Zero-emission boilers and innovative energy storage solutions are just two areas of innovation that we have recently supported. Overall, then, I believe that BGF’s future is bright and I look forward to leading the Company to many more years of success.

—
Andy Gregory
Chief Executive Officer

Investment performance

A record year for realisations with consistent returns across vintages

A combination of supportive market dynamics, a maturing portfolio and the effective collaboration between BGF teams, portfolio businesses and advisers all contributed to a standout year for investment exits.

In all, BGF exited its investments in 40 businesses during 2022, generating £676m in proceeds. These were the best yearly figures for exits by some margin.

Across all 40 exits, BGF achieved an average 1.95x return, while the internal rate of return (IRR) was 22.5%. These excellent results were achieved across a diverse range of portfolio businesses drawn from across the UK and Ireland.

Some notable exits included Manchester-based bakery business St Pierre Groupe, which was acquired by multinational baker Grupo Bimbo in 2022. The deal delivered a 9.6x return on BGF's investment and an 85% IRR. This excellent result reflected St Pierre Groupe's strong market position, especially in the US, which had been achieved following a successful period of international expansion that BGF's investment had helped to fuel.

Another high-profile exit was the acquisition of Cornwall Insight, a provider of research, data and analysis to the energy sector, which was acquired by Bowmark Capital (see box, right).

Continued →

Case study: Cornwall Insight

Norwich-based market research business Cornwall Insight received BGF investment in 2017. The company expanded internationally during the investment period, while its analysts regularly featured on major news channels during the energy crisis. In 2022, BGF successfully exited its investment when the business was acquired by Bowmark Capital.

Learn more: [Cornwall Insight exit news](#)



Pictured: Anna Moss, senior consultant, and Katie Hickford, senior analyst, Cornwall Insight

Investment performance continued



Susan Jackson, joint managing director of Champion Homes



Peter and Charlie Harrison, the father-and-son duo behind Furniture Village

Several exits were completed in the technology space, including OnePLM, a value-added reseller of Siemens software that was acquired by The Digital Transformation, a consortium of technology investors. BGF also exited its investment in Inoapps, a global partner to cloud-based technology provider Oracle, which was first backed in 2013. Boston-based private equity firm Abry Partners acquired a substantial stake in the business resulting in joint control with founder and CEO Andy Bird. The successful exit delivered a 4.6x return on BGF’s £10.5m investment.

BGF’s flexible approach to business funding allows for a wide range in hold periods. Whereas the investment in Inoapps stretched over many years, the investment in Nottingham-based Jola, a business communications business specialising in mobile SIMs, could be measured in months. BGF invested in the business in March 2021 and supported its acquisition of telecoms service provider Zapappi. Jola was acquired by Wireless Logic, a connectivity platform provider, in 2022, following rapid growth.

Acquisition by trade buyer or by private equity firm is not the only exit route for BGF-backed businesses. In some cases, portfolio companies decide a share buyback is the most suitable option. Family-owned national furniture retailer Furniture Village chose this path in 2022. BGF invested £12m in the business in two funding rounds starting in 2014. In 2022, both parties concluded a mutually satisfactory arrangement that returned BGF’s minority shareholding to the Harrison family.

The move has allowed father-and-son duo Peter and Charlie Harrison to continue to build on the success of the business after a period of solid growth that increased the store footprint from 40 to 55 and bolstered logistics, IT and digital infrastructure.

Another business that chose to buy back BGF’s shareholding after a significant period of growth was Scottish housebuilder Champion Homes. Following a multimillion investment from BGF in 2016, the business tripled its turnover to £45m. In 2022, the company used its profit growth and strong cash generation over BGF’s hold period to buy out BGF’s position in full.

UK Enterprise Fund

Reaching out to more investors with the UK Enterprise Fund

A key part of BGF's purpose since we were founded in 2011 is to support and contribute to the building of an ecosystem of business investment in the UK. We believe the small to mid-sized business investment opportunity is large enough to accommodate a wide variety of investors. This was the thinking behind setting up the UK Enterprise Fund (UKEF).

The UKEF is a joint venture with Coutts, the private banking arm of our shareholder, NatWest Group. The fund launched in 2021 with £41.5m of committed capital from Coutts high-net-worth clients. In 2022, the second fundraising closed, adding an additional £39.4m to invest in privately-owned scaleup and early-stage businesses.

The UKEF aims to provide funding to address equity gaps across the entrepreneurial ecosystem. It has a mission to support female-owned businesses with 22% of the first tranche of fundraising backing women-owned businesses. Among the companies backed so far are Character.com, a children's clothing and branded products ecommerce platform,

Enhanc3d Genomics, a human genome mapping business (right) and Reactive Technologies, a provider of critical data to the energy grid and asset operators.

"We are highly encouraged by the continued appetite amongst UKEF investors to support high-potential businesses, and in particular those with diverse founders," says Alison Rose, CEO of NatWest.

"The Rose Review showed us that £250bn of new value would be unlocked for the UK economy if women started and scaled their businesses at the same rate as men... We are excited to see what a new cohort of dynamic and diverse businesses receiving backing from the next round of UKEF funding can achieve."

Case study: Enhanc3D Genomics

Spun out of the Babraham Institute in Cambridge, Enhanc3D Genomics is a functional genomics company unlocking the potential of the human 3D genome to transform therapeutic development. Led by CEO Debora Lucarelli, the business raised £10m of Series A funding in 2022 from investors including BGF.

 Learn more: [Enhanc3D Genomics investment news](#)



Debora Lucarelli, CEO of Enhanc3D Genomics

Adding value

A diverse and effective talent pool



One of the benefits of receiving investment from BGF is the opportunity to be connected with experienced non-executives to help steer portfolio company boards towards success. Cate Poulson, head of BGF's Talent Network says 2022 was another landmark year.

Last year was another incredibly busy and productive year for the Talent Network team at BGF. Over the past decade, the team has partnered with hundreds of businesses to shape their boards, with 2022 seeing the 400th non-executive placement. We have also continued to focus heavily on developing our Expertise On-Demand service (see [next page](#)), an inhouse capability unique among private equity peers.

Another initiative was to partner with board management software service BoardClic to give our company boards agile insights into their alignment, skill base fit to strategy, and governance. We also developed our pool of leadership development partners to deliver time- and cost-effective coaching and mentoring to executive directors across the portfolio.

The founding principle of BGF's Talent Network was that by shaping a well-formed, focused board of directors, built carefully around each entrepreneur we back, we could unlock and accelerate the growth of those businesses. From the outset, we also believed that investing in the inhouse capability to develop and matchmake the highest quality board directors was one of the most impactful and scalable things BGF could offer.

Over the past decade, the inhouse team has built one of the most extensive and diverse networks of directors. It spans all areas of functional leadership and sectors and includes individuals based across the length and breadth of the UK and Ireland, with many further afield too, in the US, across Europe and Asia. Bringing diversity to boards is a core part of BGF's mission, and we focus on working with first-time non-executives, proactively targeting business

leaders from underrepresented groups. In 2022, 27% of non-executive appointments from our Talent Network were women. This number has increased each year and will continue to be a priority.

There is an array of thought leadership on the correlation between strong boards and company value, and we see evidence of this every day in the businesses we work with. An entrepreneurial CEO stands to gain immense value by working alongside a non-executive chair or director with first-hand experience of the highs and lows of leading a scaleup business. Developing an effective working relationship between CEO and chair, and augmenting that with skilled executive directors and specialist non-executives, helps companies to develop faster, access markets more quickly, attract best-in-class talent, inspire confidence across all stakeholder groups, and ultimately create value.

Adding value continued

How we provide ongoing support to our portfolio

Expertise on-Demand

Expertise on-Demand is a match-making service that connects portfolio businesses with functional experts on an ad hoc or consultancy basis. As well as external expertise, this support may be provided by our in-house members, such as BGF’s Head of Digital, Simon Steward, who has advised many portfolio businesses about technology. To date, several hundred introductions have been made by the Talent Network to BGF portfolio companies in areas including business improvement, ESG, digital, finance, HR, IT, manufacturing and sales/marketing.

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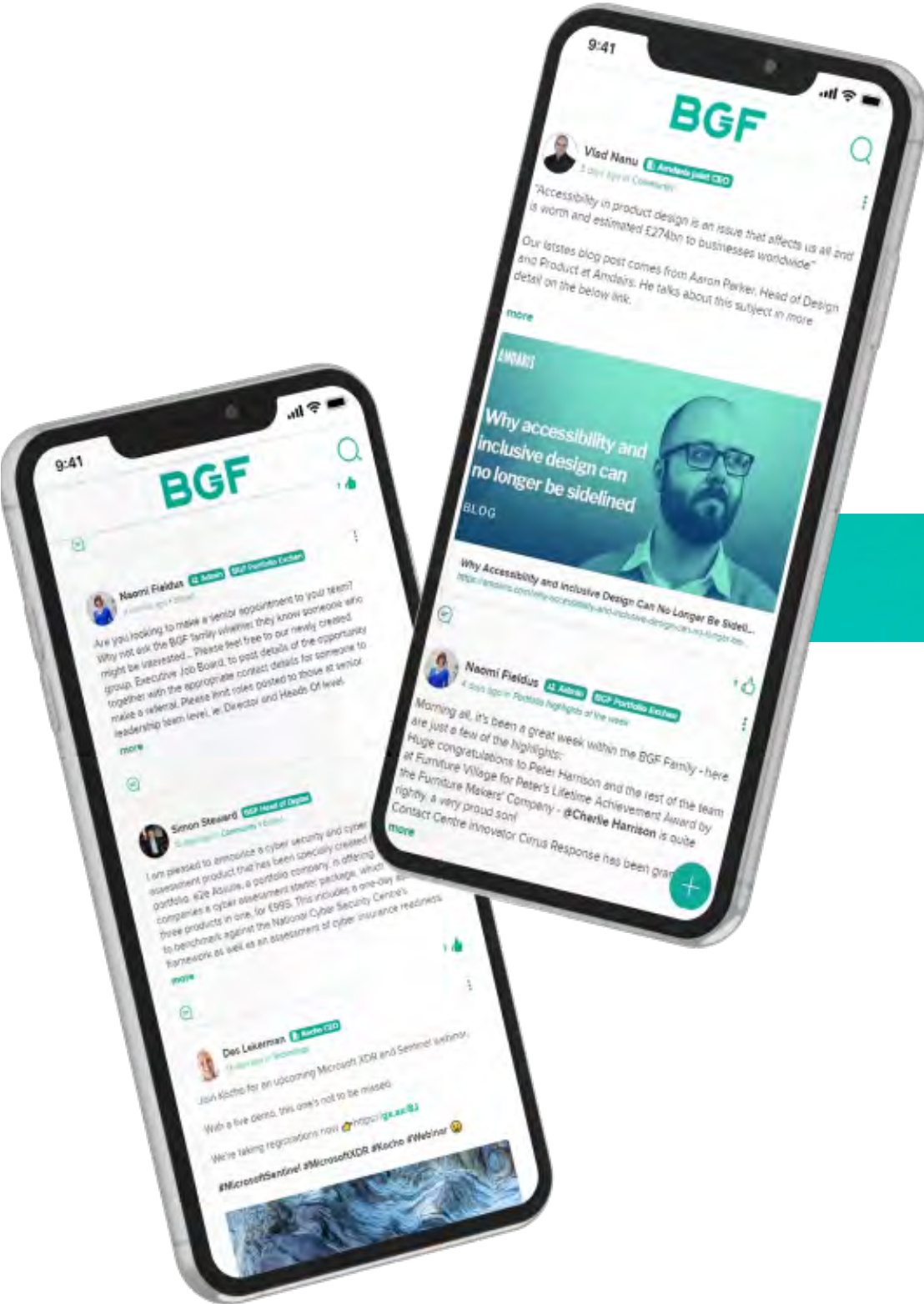
The Expertise on-Demand service goes from strength to strength and is now a core part of our proposition. Recently, we have connected portfolio companies with environmental and sustainability experts to measure and reduce their carbon footprint, experienced individuals to assist with exit readiness, and HR experts to ease pressure on talent challenges and resourcing in our growing businesses. As always, portfolio companies remain in control of their relationships, while we make sure they receive high quality advice and options, when they need it.

Andy Watts
Head of Expertise on-Demand, BGF



Merseyside-based Joloda, led by CEO Michele Dematteis (pictured), makes systems for loading and unloading cargo. Through Expertise on-Demand, the business has accessed engineering and ESG support.

Adding value continued



Portfolio Exchange
Portfolio Exchange is a private social network and content platform exclusively for the leadership teams of BGF investee businesses. It has been developed to help businesses access the full power of BGF’s platform, networks and the benefits of being part of the BGF portfolio.

Portfolio Exchange enables the leaders of our portfolio companies to connect in real-time with their peers, access curated content, share news, ask for help and recommendations, and participate in sector-specific discussions.

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We’re delighted with how the portfolio has embraced Portfolio Exchange to connect with each other. We are so excited about Portfolio Exchange’s potential as we move into its second year.

Naomi Fieldus
Portfolio Exchange

Case study: Blue Light Card
Blue Light Card is a tech-enabled marketing service that operates a loyalty scheme for employees in the NHS, emergency services, social care sector and armed forces. BGF head of digital Simon Steward worked alongside chief technology officer Stephen Denny to help the business access expertise in developing its technology roadmap. After careful consideration, former head of product for BBC iPlayer Ian Davies was introduced to advise the business about moving to a more product-oriented culture. Blue Light Card also worked with tech advisory firm Seedcloud, which assisted the team in creating a framework for modernising its tech stack as it develops into a technically advanced and mature business.

 Learn more: [Blue Light Card](#)

Blue Light Card operates a loyalty scheme for workers in the NHS, emergency services and armed forces.



Women-led businesses

Supporting women entrepreneurs



Backing women founders is a key part of BGF’s purpose and mission. We have invested more than £400m in women-led businesses since we were founded – including new investments and follow-on funding. In 2022, 13% (six) of our new investments were in businesses run by women.

These included a £6m investment in Makers, a London-based tech talent provider that offers tech bootcamp and apprenticeship courses to people who are underrepresented in the industry. Makers is led by CEO Claudia Harris.

In Scotland, we led an £8m funding round in Aberdeen-based biopharmaceuticals business Elasmogen, co-founded by CEO Dr Caroline Barelle. We also backed Inverness-based medical technology business Aiber, which was co-founded by CEO Anne Roberts.

We co-led a £10m funding round for Cambridge-based Enhanc3D Genomics, which is transforming therapeutic development by unlocking the human 3D genome. The business is led by CEO Debora Lucarelli.

Women-led businesses also accounted for follow-on investments made during 2022. For example, fabless semiconductor company Cambridge GaN Devices, led by CEO Dr Giorgia Longobardi, raised \$19m in a Series B funding round co-led by BGF.

1.

Dr Caroline Barelle
CEO of Elasmogen

Elasmogen is a biopharmaceutical company discovering and developing new therapeutics. BGF is supporting its pipeline of next-generation drugs through pre-clinical trials.
2.

Claudia Harris OBE
CEO of Makers

Makers identifies high potential career switchers without a background in tech, trains them as software engineers and helps place them with leading companies.

ESG

Responsible investment: it's our mission

Environmental, social and governance (“ESG”) is a crucial part of BGF’s purpose.

Our efforts:

1. Signatory to the Principles for Responsible Investment, backed by the United Nations.
2. Clean growth advisory board chaired by Baroness Brown of Cambridge.
3. ESG principles embedded in our investment process.
4. Sustainability support offered to portfolio through Expertise on-Demand service.
5. Investments in a range of climate and sustainability businesses.
6. Portfolio businesses recognised for ESG success with B Corp certification.

Responsible business

Climate and sustainability investments are a key part of our mission

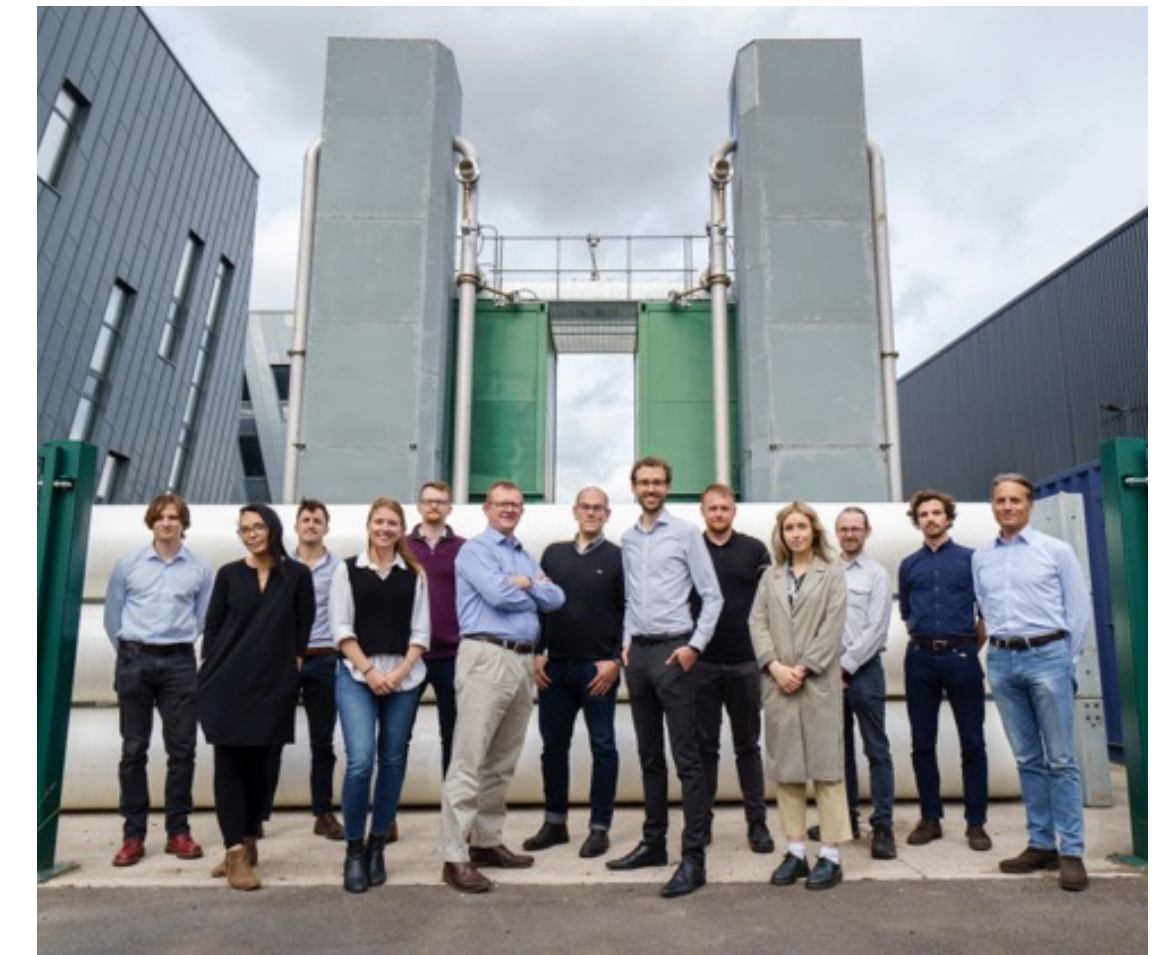
BGF is a generalist investor that backs companies across many sectors. Yet we have a particular commitment to support companies involved in the transition to net zero. This is partly an aspect of our general mission to support good growth that is sustainable and long-term in nature.



Johan du Plessis, founder and CEO of tepeo, poses beside one of the company's zero-emission boilers

But it is also good business. As the UK, Ireland and other countries around the world chase ambitious climate targets, the opportunities for businesses involved in the climate and sustainability sector grow more significant by the day.

Our investments in this sector include companies involved in energy storage, such as Cheesecake Energy. Based in Nottingham, this business has an innovative approach to energy storage that repurposes truck engines into zero-emission electrical power-conversion machines for putting energy into and out of storage. BGF led a £3.5m funding round for the business in 2022.



The team at Cheesecake Energy in front of a prototype of the company's energy storage technology

Domestic heating is another crucial sub-sector of the climate and sustainability space. In 2022, BGF led a £10.5m funding round for tepeo, a business based in Wokingham that has designed a zero-emission boiler powered by electricity. Domestic heating currently accounts for an estimated 17% of UK carbon emissions, making this a sector with enormous potential to impact the UK's climate goals.

To aid BGF in making the most impactful investments in the climate and sustainability sector, we set up our clean growth advisory board in 2021. The advisory board is chaired by Julia King, Baroness Brown of Cambridge. She is the

chair of the Climate Change Committee's Adaptation Sub-Committee and acts as the UK's Low Carbon Business Ambassador.

BGF's clean growth advisory board also includes Juliet Davenport OBE, the founder of Good Energy, and Laura Sandys CBE, a senior policy and business advisor specialising in the energy, food and sustainability sectors. The board includes numerous other experts, including the founders of several BGF-backed businesses.

BGF has invested £235m in the climate and sustainability sector since 2011.

Responsible business continued

We support our portfolio as they achieve sustainability breakthroughs

Alongside BGF's new investments in the climate and sustainability sector, we support our existing portfolio in achieving their environmental, social and governance ("ESG") goals.

Sustainable underwear business Stripe & Stare (right) is one of many portfolio businesses that have achieved B Corp certification following a rigorous assessment of their procedures and business model. In 2022, Stripe & Stare joined the likes of recipe box company Gousto, which achieved B Corp status in 2021.

One of the ways BGF assists portfolio companies with their ESG goals is through our Expertise on-Demand service, which connects portfolio businesses with experts on an ad hoc or consultancy basis. Portsmouth-based Dolphin Homes, which runs 14 residential care homes for young adults with complex needs, received support through Expertise on-Demand in 2022. The business wanted to measure and reduce its carbon footprint, both for environmental reasons and to comply with regulations such

as the Energy Savings Opportunity Scheme ("ESOS"). BGF introduced the company to sustainability consultancy Spring Environmental, which assessed energy use across all sites and drew up a carbon reduction plan. As a result, Dolphin Homes produced an ESOS-compliant evidence pack while putting place a scheme to significantly lower its energy costs.

"Monitoring energy use across a multi-site estate can be a challenge. By introducing us to Spring Environmental, BGF helped us understand our footprint so

that we can make improvements – ensuring we are compliant with regulation while saving money," says Nick Heather, managing director of Dolphin Homes.

Another portfolio business that made progress on its ESG targets thanks to Expertise On-Demand was online chemist Pharmacy2U. BGF introduced the company to Fiona Place, a specialist ESG consultant who helped the business set up an ESG committee and roadmap. Across its operations, Pharmacy2U now has plans in place to become carbon neutral.

Case study: Stripe & Stare

Based in Devon and founded by Katie Lopes and Nicola Piercy (pictured), Stripe & Stare makes underwear, lounge and sleepwear from sustainable, biodegradable fabrics. Backed by investors including BGF, which provided £1.5m in 2021, the business is expanding online and in retail stores. In 2022, the business received B Corp certification – a recognition that it meets the highest standards for social and environmental performance.

 Learn more: [Stripe & Stare B Corp](#)



Responsible business continued

Defining ‘good growth’: The values we look for in investee businesses

→ **Thoughtful steps**

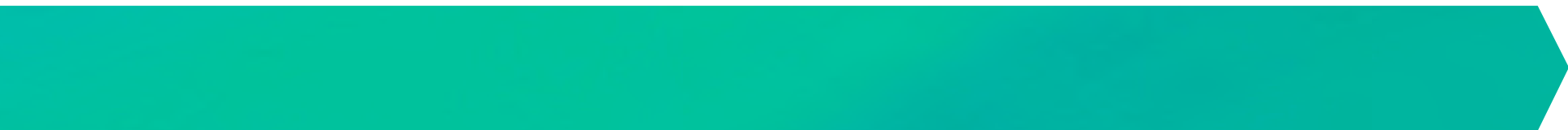
They take positive action towards their impact on the environment and communities

They monitor and report the impact of their own growth on the environment and in their communities; they enhance the positive impact and minimise the negative effects.

→ **Broad minds**

They are adaptable to change whenever it is needed

They stay abreast of new approaches to doing business that can help them enhance their positive impact. They take timely actions on the insights from the data they gather about their ESG footprint and performance.



→ **Lead well**

They care about their people and provide opportunities for growth

They create fair and non-discriminatory places to work. They provide opportunities for professional growth, and they care about the wellbeing of their people.

→ **Grow sustainably**

They use their resources to drive sustainable growth

They know that with pursuit of growth, comes greater responsibility – to employees, customers, supply chain, and local communities. They prioritise their focus on key factors that will affect business success as well as their impacts on people and the planet, now and in the future.

→ **Go further, together**

We all work together, learn together and move forward together

They communicate openly about challenges and opportunities – and create an environment that allows others to do the same. They leverage the expertise of others to grow in a safe and sustainable way.

Responsible business continued

Measuring our portfolio’s performance – and our own



Roshni Bandesha, head of ESG, explains how BGF and our portfolio have made progress on ESG performance indicators.

You can’t manage what you don’t measure. That’s why BGF undertook an extensive third-party assessment of portfolio companies’ ESG performance during 2022. Together with these companies, we are drawing up key performance indicators (“KPIs”) so that businesses can identify where to focus their efforts and how to measure their success. Our ESG efforts are not only focused on the portfolio, however. We are also turning the spotlight on ourselves. The KPIs on the right are linked to a revolving capital facility (“RCF”) provided by NatWest, HSBC and Lloyds that BGF has accessed to provide liquidity and contingency funding. The RCF includes key ESG targets. You can view our progress against these targets in the table.

Key performance indicators for BGF’s revolving capital facility

1.	Proportion of all incoming growth companies that have undertaken a formal board effectiveness review within 12 months of investment.	25% of new growth investments completed a review (versus target of 50%). Over the year, a total of 34 portfolio companies completed a review carried out by third-party assessor BoardClic. We continue to scale this valuable initiative.
2.	Proportion of total growth portfolio companies attending at least two live ESG training sessions, by a Board, management or nominated sustainability representative.	23% of growth investments attended two or more training sessions (versus a target of 17%). This included 45 growth companies that attended online webinars and in-person panels. In all, over 90 companies attended ESG webinars and events in 2022.
3.	Proportion of growth companies that report or are contracted to measure Scope 1 and 2 emissions.	23% of growth investments are reporting or have contracted to report their Scope 1 and 2 emissions (versus a target of 23%). This included 45 growth companies.
4.	Reduction in Scope 1, 2 and 3 emissions from a FY20 baseline (210.7 tCO ₂ e).	BGF has set a target to cut emissions by a minimum 5% each year from 2020 levels. For 2022, emissions across all scopes were 314 tCO ₂ e. A total of 83% of Scope 3 emissions that cannot be reduced have been offset through two Gold Standard VER projects, bringing total emissions to 195 tCO ₂ e, 8% lower than benchmark.

Responsible business continued

Measuring our impact to manage our footprint

In 2022, BGF engaged emissions management specialist Carbon Responsible to undertake its third annual analysis of the emissions from direct and indirect impacts from operation. Data capture was undertaken between 1 January 2022 and 31 December 2022 to provide a view of full-year emissions and to assess the data capability and quality available for a full-year assessment. The analysis aimed to improve and expand the impact analysis previously undertaken in 2021 by Carbon Responsible.

In line with the Companies Act 2006 (Strategic Report and Directors' Reports) and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations), BGF is required to meet the mandatory Streamlined Energy and Carbon Reporting (SECR) regulation introduced by the UK government.

Data collection and analysis has strictly followed the GHG Protocol Corporate Accounting and Reporting Standard. The World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) developed the standard to promote standardised global carbon accounting methodologies and as such, the GHG Protocol Standard is one of the recommended methodologies under SECR guidelines. UK Government's 2022 emission factors, generated by DEFRA, have been used to quantify all emissions, with the exception of overseas electricity, which has been quantified using the International Energy Agency's 2022 emissions factors. BGF's data inputs and outputs have been reviewed, processed and generated by Carbon Responsible.

All input data, calculations, conversion factors and estimations are included in a workbook, not published here. The figures relate to the required elements of Scope 1, 2 and 3 emissions alongside optional Scope 3 elements.

Organisational boundary

BGF has used the financial control approach. The majority of emissions impact comes from leased offices and staff. It includes impacts from activities that are not owned by the Company, but over which it exerts financial control. For BGF, this includes Business Travel impact.

Baseline year

BGF's financial year 2022 is its fourth year of measurement. Full-year 2021 is used as the temporary baseline year to be revised in line with further improvement in the reporting framework.

Targets

This is the first period that has not been impacted by Covid 19 and therefore comprises a good baseline for BGF to set external Net Zero targets. BGF will continue to explore, with landlords, the possibility of onsite solar energy to accelerate progress to targets. Consumption reduction will be supported by unit level metering and energy source analysis to reduce emissions from both equipment and behavioural change.

Emission scopes

In accordance with mandatory GHG reporting, Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity, heating and cooling) are required to be reported. It is not mandatory to report Scope 3 (indirect emissions from all other operational activity), excluding business travel (employee reimbursed mileage) impact under SECR. However, BGF has opted to report category 3: fuel and energy related activities not included in Scope 1 and 2, and full business travel activity, including hotel stay and flights, trains and taxi journeys for business travel, in order to provide a more complete picture for stakeholders and investors.

CO₂e represented in metric tonnes of carbon dioxide equivalent (tco₂e) and related energy (kWh) totals are represented in tables 1, 2 and 3.

Consumption and emissions

BGF emitted a total of 314.41 tonnes of CO₂e across its offices for all Scopes (including Scope 3 which is not mandatory to report, with the exception of Scope 3 mobile combustion). Scope 3 accounted for 60.23% of the total emissions, Scope 2 for 31.62% and Scope 1 accounted for 8.15%.

Responsible business continued

BGF recorded Scope 1 and 2 data since 2019 and has focused on expanding Scope 3 capture in the years since. The FY22 emission profile was generated by various sources, across the three scopes, including utility invoices, expenses, and estimates using BGF specific data, this has resulted in a relatively high data estimation percentage of 23.29%.

Overall, BGF’s GHG emissions increased by 79.35% compared to FY21. This year, BGF included energy-related well-to-tank (“WTT”) impact into the Scope 3 emissions. Altogether WTT amounts to 23% of BGF’s fuel-related emissions and 26% of the total impact for electricity.

The marked increase of Scope 3 emissions (214.38%) is partly driven by the inclusion of WTT as well as it being the first reporting year that has not been affected by Covid – illustrated by the significant increase in business travel (395.30%). Had BGF’s FY21 emissions report included WTT, the overall year-on-year change would be 52.26%, instead of 79.35%.

As a proportion of the total emissions, the biggest source of emissions was generated by business travel and hotel stay (32.1%), followed by electricity (31.62%), third-party vehicle use (13.64%), total WTT (11.63%), direct fuel consumption (8.15%), and finally electricity transmission and distribution (2.85%).

Table 1

Energy consumption (kWh) by GHG Protocol Corporate Standard Scope and Intensity metrics for UK and global operations

	FY22 UK Total Energy consumption (kWh)	FY21 UK Total Energy consumption (kWh)	FY20 UK Total Energy consumption (kWh)
Scope 1: Direct energy consumption from owned/controlled operations	140,323	159,341	153,637
Scope 2: Indirect energy consumption from the use of purchased electricity, steam, heating, and cooling	497,267	398,444	490,789
Scope 3: Other indirect energy consumption	173,833	122,394	109,004
Total Energy consumption	811,424	680,180	753,430

Table 2

GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) by GHG Protocol Corporate Standard Scope and Intensity metrics for UK and global operations

	FY22 UK Total GHG Emissions (tCO ₂ e)	FY21 UK Total GHG Emissions (tCO ₂ e)	FY20 UK Total GHG Emissions (tCO ₂ e)
Scope 1: Direct emissions from owned/controlled operations	25.61	29.18	31.30
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling	99.43	85.89	115.11
Scope 3: Other indirect emissions (Upstream and Downstream Scope 3)	189.37	60.24	64.34
Total Emissions	314.41	175.31	210.74

Table 3

GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) by SECR emission category for UK and global operations

		FY22 UK Total GHG Emissions (tCO ₂ e)	FY21 UK Total GHG Emissions (tCO ₂ e)	FY20 UK Total GHG Emissions (tCO ₂ e)
Scope 1	Stationary combustion ⁵	25.61	29.18	31.30
	Mobile combustion ⁶			
	Fugitive emissions ⁷			
	Process emissions ⁸	99.43	85.89	115.11
Scope 2	Electricity, heat, steam, and cooling emissions ⁹			
Scope 3	Mobile combustion ¹⁰	42.88	30.11	26.83
	Other emissions ¹¹	146.48	30.12	37.51
Total Emissions		314.41	175.31	210.74

Table 4

GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) intensity metrics, on an FTE basis and by revenue (per £100,000)

	FY22 UK	FY21 UK	FY20 UK
			1.23
Carbon Intensity per £100,000 (Co ₂ e/£100,000)	0.31	0.15	0.27

A slight decrease of 12.23% in BGF’s Scope 1 gas (stationary combustion) impact can be explained by the estimation of its Aberdeen site, whose only months of processable data were from March to July. The average of these months was applied to the rest of the year which does not take into consideration seasonal change in gas usage.

Intensity Metrics

Two intensity metrics have been calculated for BGF’s emissions, one based on full-time equivalent employees and one on revenue (table 4). In comparison to FY21, the FY22 emissions per full-time employee (FTE) have

increased by 79.35% (from FY21 to FY22 tCO₂e/FTE). Similarly, the FY22 emissions per £100,000 of revenue have increased by 109.45% (from FY21 to FY22 tCO₂e/£100,000 revenue).

BGF has set a target to reduce its emissions by minimum 5% each year from 2020 level. As well as reviewing actions to reduce the business footprint, 83% of GHG emissions that cannot be reduced, relating to business travel, hotel stays, and third-party vehicle use, have been offset through two Gold Standard Voluntary Emissions Reduction projects. Total offsets purchased for 2022 are 120 tons across the two projects. This brings down the total reported emission to 195 tons CO₂e (from 314 tons CO₂e).

Responsible business continued

Tackling the cost-of-living crisis with the BGF Foundation



Charlotte Moses Rains, Chief Operating Officer, BGF Foundation

In 2022, BGF formally established the BGF Foundation, an independent charitable foundation supported by a minimum of £1.5 million of cornerstone funding from BGF over the first three years. The foundation provides support and financing to small and mid-sized local charities across the UK that are focused on improving the lives of disadvantaged children, young people and adults.

The first three grants were provided to charities tackling the cost-of-living crisis: Little Village, a London-based charity providing baby clothes and supplies; the Joshua Tree, which supports families living with childhood cancer in the North; and Let's Feed Brum, which provides food and friendship to those who need it in Birmingham.

The foundation has since supported several more charities including Glasgow-based Sunshine Wishes, which fulfils wishes for sick and terminally ill children; Aberdeen-based Befriend a Child, which helps children and young people with befriending and mentoring; and Edinburgh-based Home Link Family Support, which supports young families in Edinburgh and Midlothian.

Stephen Welton, BGF's Non-Executive Chair, is the chair of the foundation's board of trustees. Also on the board are Fiona Lowry, founder of BGF-backed The Good Care Group; Phil Male, who serves as a non-executive director of several BGF portfolio businesses and has served on the board of Comic Relief; Michelle Hill, chief executive of TLC: Talk, Listen, Change, a North West relationships charity; Alistair Brew, head of investment operations at BGF; and Neil Inskip, head of the Manchester and Birmingham investment teams.

Responsible business continued

There are many distinctive elements to the foundation. These include its regional approach, inspired by the regional investment approach of BGF, which supports small and mid-sized charities across the whole of the UK. Another feature of the foundation is its emphasis on supplying volunteers with expertise in addition to financial backing – an element that can make a big difference for smaller charities.

Also notable is the foundation’s preference for unrestricted funding. This, as the name implies, is funding that comes without conditions attached. By providing unrestricted funding, the foundation essentially entrusts the trustees of beneficiary charities to deploy that funding wisely, and to adapt their own strategy in line with the future needs and direction of the charity.

In providing unrestricted funding, the foundation’s thinking is similar to that of the Institute for Voluntary Action Research (“IVAR”), which has highlighted seven reasons in favour of unrestricted funding, including that it: frees up charities to make better use of their expertise; gives them agility to respond to changing circumstances and needs; gets rid of time-consuming admin; builds trust between donor and beneficiary; and gives charities greater resilience.

There is good evidence that charities significantly prefer unrestricted funding over alternatives. In fact, the average charity would swap a £1 million restricted grant, with various conditions attached, for half as much in unrestricted funding, according to research by consultancy nfpSynergy.

“
The average charity would swap a £1 million restricted grant, with various conditions attached, for half as much in unrestricted funding.



Alistair Brew



Stephen Welton, Chair



Fiona Lowry



Michelle Hill



Neil Inskip



Phil Male

Responsible business continued

Creating a diverse and inclusive environment

At BGF we recognise the critical role of equity, diversity and inclusion in our mission of creating sustainable business growth. We believe diverse viewpoints make for better solutions and are essential in driving greater innovation, both for us and our investee companies.

In a historically male-dominated industry, BGF is employing more women than ever. In 2022, 57% of hires in our investment teams were women. When other departments are included, 69% of our hires in 2022 were women.

As a result of these hiring trends, female investors at BGF, such as Daina Spedding (pictured), are responsible for an increasing numbers of deals.

BGF also monitors and tracks other forms of diversity. In 2022, 76% of new hires were either female and/or from a Black, Asian or minority ethnic background.

BGF also prioritises diversity and inclusion in our introductions of board-level non-executives to portfolio companies. In 2022, 27% of board appointments following an introduction by the BGF Talent Network were women.

BGF also seeks to foster inclusivity through our annual internship scheme. We work alongside recruitment consultancy Dartmouth Partners to attract applications from as wide a network of talented university students as possible. In 2022, thousands of students applied for internship places across the UK and Ireland where they would work in a variety of different functions. The internship lasted eight weeks during the summer. It involved 16 interns across eight offices in the UK and Ireland.

Interns gained practical work experience but also undertook training opportunities and mini projects, including a group research project focused on sustainability and impact investing.

For 2023, we plan to take 17 interns for eight weeks across eight offices. Following the success of the internship programme, BGF has also launched a graduate scheme to provide full-time opportunities to young talent. In 2023, we plan to hire seven graduates (four in investment teams, three in other departments). Graduates will benefit from a structured programme with learning and development opportunities suited to their role.

BGF also prioritises sustainable growth for our people. During 2022, we enhanced our performance management process to better support career development. We continue to focus on developing and supporting our senior pipeline to ensure our leaders are reaching their potential.



Our Portfolio

Our portfolio: powering growth across sectors

BGF invests in earlier-stage, growth-stage and quoted businesses across multiple sectors and every region of the UK and Irish economies.

Our current portfolio in numbers



* This category was formerly known as 'green growth'. Some companies that were in different categories in previous years have been reorganised into the 'climate and sustainability' category to complete the category.

Our Portfolio continued

Consistently
adding value –
over £3.5bn
invested since 2011

2011 to...

Business & support services

- | | |
|---|--|
| Action Integrated Security Services Limited (“AISS”) (t/a “Action24”) | Knights Group Holdings Plc |
| Alliance Transport Technologies Ltd | Microlise Holdings Limited |
| Alpha Development Group Ltd | Mind Gym Plc |
| Apprentify Group Ltd | Operam |
| BBC Maestro | Optima Partners Limited |
| Bloom Procurement | Pennant International |
| Blue I Group Ltd | Plantforce Rentals |
| Elements Talent Solutions | Pureprint Group |
| Entier Ltd | R&D Specialists Limited |
| Equilaw | The Chemistry Group (Holdings) Limited |
| Harnham Group Limited | The Consulting Consortium Holdings Ltd |
| Hobs Group Ltd | Vrtuoso Ltd |
| Just Digital | Wilmington PLC |
| Kin and Carta Plc | |

£315m

invested in the sector since 2011

Construction

- | | |
|---------------------------------|-------------------------------|
| Anstey Horne | Riverridge – Circul8 |
| Avingtrans | SDL Auctions |
| Braidwater Group Limited | SDL MSS |
| Burrington Commercial | Sigmaroc Plc |
| Burrington Residential | Springfield Properties Plc |
| Clarke Facades | Triangle Fire Systems Ltd |
| Fig Power Holdings | Victorian Sliders |
| Fireangel Safety Tech Group Plc | Visualisation One |
| Flowline | Window Supply Company Limited |
| Horbury Group | Winterbrook |
| Nexus Infrastructure Plc | Wise Living Developments |
| Northern Building Plastics | Woodall Group Limited |
| Ocee Design Ltd | Zotefoams Plc |
| Red Industries Holdings | |

£265m

invested in the sector since 2011

Our Portfolio continued

Consumer products & e-commerce

- AFG Media
- Anpario Plc
- Artisanal Spirits Company PLC
- Bella & Duke Limited
- Buy It Direct Ltd
- BVG – T&M Topco Ltd
- BVG – The Garden Buildings Group
- Christopher Ward
- DB Food Group
- DPB Meats
- Elvie (Chiaro)
- Emma Bridgewater
- Franchise Brands PLC
- FulfilmentCrowd
- Fun Brands Group
- Joe & Seph’s
- Magmatic Ltd (t/a Trunki)
- Moteefe
- Musclefood Group Ltd
- Mzuri Group Ltd
- Off Piste Wines
- Oliver Sweeney Group Limited
- Purity Brewing Group Limited
- Reiver Limited
- Renegade Spirits Grenada
- Respoke Ltd
- RMS International Ltd
- Ruroc Global Holdings Limited
- Sanderson Design Group plc
- SLG
- Sophia Webster
- Strathberry Ltd
- Stripe and Stare
- Uform Holdings Newco
- UK Flooring Direct
- Vocation Brewery
- Waterford Distillery Group Limited

£480m

invested in the sector since 2011

Health & Education

- A Wilderness Way Group
- Animalcare Group Plc
- Antser
- Bayfields Group Limited
- Doctor Care Group
- Dolphin Homes (Holdings) Limited
- Evo Dental Centre
- Firefly Learning Ltd
- Healthshare
- Kids Planet 2
- Medigold Health Consultancy Ltd
- Orbital Education Limited
- P2U Holdings Limited
- Psyomics Limited
- SDC Group Ltd
- Springfield (Care Villages) Limited
- Tigers Childcare Limited

£273m

invested in the sector since 2011

Industrial

- 8Power
- AB Dynamics PLC
- AD Williams
- Aqdot
- Aubren Limited
- BF1 Solutions Limited
- Billington Holdings Plc
- Brisant Secure
- CML Microsystems Plc
- Croom Precision Tooling Limited
- Distilled Solutions Limited
- Enoflex Ltd
- European Braking Systems Limited
- Evolution Aqua Ltd
- Flowtech Fluidpower Plc
- Forefront RF Ltd
- IFA
- Joloda (International) Limited
- M Squared Technologies Group Limited
- Macfarlane Group PLC
- M-Flow
- Molson Group
- Moulded Foams Limited
- Nonwovenn Limited
- Paintbox (Technokolor)
- Paintbox Group Limited
- Polar Technology Management Group
- Prodrive Composites Ltd
- Scientific Digital Imaging Plc
- Solid State Plc
- Tristel PLC
- VTL Group
- Walker Precision Engineering Ltd

£297m

invested in the sector since 2011

Infrastructure, Transport & Logistics

- AdEPT Telecom – Quoted
- Agile Spray Response Limited
- Bigblu Broadband Plc
- Brandpath
- Broadband Satellite Services
- Broadband Satellite Services
- Calnex Solutions Plc
- ITD Global
- Knaresborough Investments Ltd
- Maintel Holdings PLC
- Open Cosmos Ltd
- Operational Solutions Ltd
- RVL Group
- Speedy Freight
- Whistl Group Holdings Limited

£185m

invested in the sector since 2011

Our Portfolio continued

Life Sciences

- Arecor PLC

Cambridge Respiratory Innovations Limited

Caristo

Ceryx Medical Limited

Closed Loop Medicine Ltd

Cyted Ltd

Definigen Limited

Elasmogen Ltd

Enhanc3d Genomics Ltd

Entia

Fluidic Analytics

GaitQ Limited

HexagonFab Ltd

Inspiration Healthcare Group Plc

Instem Plc

IQ Endoscopes Ltd

Ixico PLC

Kinomica Limited

Machine Discovery Ltd
- Medica Group Plc

MIME Technologies

MIP Discovery

OrganOx Limited

Ostoform Limited

Panthera Biopartners Limited

Pathfinder Medical

Phico Therapeutics

Phoremost Limited

Predictimmune

Science Group Plc

Surgical Innovations Group

Vasorum Limited

Venture Life Group

Yourgene Health Plc

£174m

invested in the sector since 2011

Media & Marketing

- ADF PLC

Dianomi PLC

Ebiquity plc

Evoke Creative

Four Communications

Genflow Ltd

Komi Group

Loopme Light Topco Ltd

Media Zoo Holdings Limited

MRM Global
- One Media IP Group Plc

ROI Media

Sliide

Snipple Animation Studios Ltd

Streetbees.com Limited

The Mission Group PLC

UNRVLD

Utopia Music AG

Zoo Investment Company Limited

£158m

invested in the sector since 2011

Retail, Leisure & Hospitality

- Angling Direct Plc

Arc Inspirations LLP

Art Line Ltd t/a Cass Art

Bambino Mio Limited

Bob & Berts Group Ltd

Construction Materials Online (CMO)

Crepeaffaire Limited

Everyman Media Group Plc

Fairgame

Giggling Squid

Gymbox

Loungers PLC

LoveCrafts

Mission Mars Ltd
- Paint Shed

PJ RPS (Retail Partner Services)

Revital Ltd

Revive Active

Safestay

Seasalt Holdings Limited

Source BMX

Ten Entertainment Group Plc

The City Pub Group

Travcorp Holdings Ltd

Versilia Solutions

Virgin Wines UK PLC

Yorkshire Wildlife Park

£388m

invested in the sector since 2011

Financial services

- BGF SCIF

Cornerstone Venture Partners LLP

£21m

Invested in the sector since 2011

Our Portfolio continued

Technology

1Spatial Plc	E2E Assure	Netcall PLC
Accesso Technology Group	Edgescan Limited	Odro Ltd
AdEPT Telecom – Structured	Gaist Holdings Limited	Paddle
AdvancedADVT	Garrison Technology Limited	PJ Localised
Aferian Plc	Getbusy Plc	Planixs GRP
Amdaris Group	Helio Display Materials Ltd	PLU&M LIMITED
ANDigital Ltd	Hicomply Ltd	Record Sure Holdings Limited
Appnovation	Idox Plc	Roc Technologies Limited
Aptitude Plc	iKVA Limited	Salecycle Limited
AuditComply	Invenio Business Solutions Ltd	Techspert
Blue Light Card Ltd 2 – Project Hive Topco	Juriba	TickX Ltd
Celaton Limited	Kick ICT Limited	Touchlight Holdings Limited
Celerity Limited	Kocho Group Holdings Ltd	Tracsis PLC
Cirrus Response Limited	KYND Ltd	Trakm8
Crypto Quantique Ltd	Makers Academy Ltd	Triptease
Datum360 Limited	Marvel	Unique Digital
Desana Network Limited	Media Based Attractions	Waracle Ltd
DICE FM Limited	Myzone Holdings Limited	WiserFunding
DriveWorks		XCD HR Limited

£600m
invested in the sector since 2011

Climate and sustainability

ACCSYS Technologies	Gousto
Aceleron Limited	Hydrock
Ambisense Limited	Johnsons Aggregate and Recycling Limited
Apex Housing Group	Keenan Recycling Ltd
APS	MOA Technology
Arborea Ltd	Monodraught
Blanco Technology Group Plc	Topco Ltd
Bramble Energy Limited	Nossa Data Ltd
Cambridge Energy Partners Ltd	Orbex
Cambridge GAN Devices Limited	Oxbotica Ltd
Cheesecake Energy Limited	PPS Equipment Holdings
Echion Technologies Ltd	Reactive Technologies
Ecovision	River Ridge Holdings Limited
Eden Research	Tekmar Group PLC
Fleetondemand	Tepeo Ltd
Gaussion Ltd	THIS
Getech Group PLC	Total Recycling Services
	Woodall Trinity

£235m
invested in the sector since 2011

Energy & Resources

BB7 Group Limited
EEL Holdings Ltd
Europa Oil & Gas (Holdings) Plc
Frontrow Energy
TechnologyGroup Limited
Isol8
Locate Bio
RSK Group
SPEX
Stark
Stats Group
Unity Well
Integrity UK Ltd

£171m
invested in the sector since 2011

2023

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

→ Shareholders

Our investors provide capital without which we could not grow and invest for future success.

What matters to them

- The BGF mission to support SMEs
- Responsible and sustainable business model
- Financial performance and impact
- Transparency
- Proactive communication
- Governance

How we engage

- 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)

Our investors/limited partners have allowed us to extend our reach and support SMEs in Ireland.

What matters to them

- The BGF mission to support SMEs
- Responsible and sustainable business model
- Financial performance
- Transparency
- Proactive communication
- Governance

How we engage

- Twice yearly investor meeting
- Regular contact with third party investors
- Monthly reporting

Engaging with our stakeholders continued

Our stakeholders and why they matter

→ Investees

The continued performance of our business would not be possible without understanding the needs of our portfolio companies.

What matters to them

- Financial investment
- Expertise and guidance
- Patient capital
- Partnership model

How we engage

- Board representation
- Annual CEO/Portfolio day
- Annual Finance Director day
- Annual Marketing Day
- Ad hoc communications (including webinars) of pertinent information/updates

→ Suppliers

The support from our suppliers is essential in helping us to operate in an effective and compliant fashion.

What matters to them

- Fair and transparent terms

How we engage

- 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.

What matters to them

- Regulatory compliance
- Insight to the SME universe to assist policy makers
- Statutory reporting and tax rule adherence

How we engage

- Frequent meetings with Treasury and Government to assist with policy making
- 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.

What matters to them

- Growth capital and expertise for local businesses
- Support of charities
- Minimising environmental impact

How we engage

- Acting in a fair and responsible manner is a core element of our business

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 senior management team and 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 Chair, Chief Investment Officer, 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 Chair, Chief Investment Officer and Chief Operating 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 of 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 table on the [next page](#)).

Engaging with our stakeholders continued

Effect and

impact

Principal Board decisions and how the Board considered stakeholders' views:

1. Reduction of Capital
During 2022, the Board approved a reduction of share capital to create distributable reserves to support future dividend payments. BGF's mature balance sheet will be in a position to return excess cash to shareholders in the coming years, however, its structure results in minimal reserves being available in its holding company. This process converted share capital to distributable reserves.

Shareholders and Investors

The Board considered the impact of reducing BGF PLC's share capital.

Outcome/Impact
The Board concluded that the reduction of capital allowed BGF to deliver its long-term objectives in relation to shareholder returns.

Employees

The Board considered the potential impact and reaction of employees.

Outcome/Impact
The Board concluded that the reduction of capital, when leading to dividend payments to shareholders, would be viewed positively by employees.

Investees

The Board considered the potential impact on the underlying investee companies.

Outcome/Impact
The Board concluded that the creation of distributable reserves would reinforce the shareholders' long term commitment to supporting investee companies across the UK and Ireland in accordance with demand.

Regulator

The Board considered the regulatory impact of the reduction of capital.

Outcome/Impact
The Board concluded that the reduction of capital did not lead to any breach of regulatory capital requirements. Furthermore, as a court approved exercise, full consideration was given to creditors as required by the process.

Communities and environment

The Board considered the impact and contribution the reduction of capital would potentially have on the communities and the environment within which we operate.

Outcome/Impact
The Board concluded that the creation of distributable reserves indirectly reinforces the business' commitment to communities and environment by enhancing shareholders support of the long term objectives of the business.

Business review

Making a meaningful impact across the industry



“

BGF continues to deliver on its purpose of championing growing businesses and dynamic entrepreneurs across the UK and Ireland.”

Matthew Reed
Chief Operating Officer

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 earlier stage of many of the Group’s investments, external factors and comparable company valuation multiples.

As we have seen in previous years, market conditions will impact our valuations, and 2022 was another year of uncertainty putting pressure on quoted market multiples, a key input in our fair value computations. We are a long term investor, and therefore short-term valuation movements simply act to present a point in the journey of delivering the cash gains we invest for. Our long-term approach continues to deliver pleasing realised gains.

P&L highlights

The Group made a loss after taxation of £37,412,000 (2021: £386,533,000 profit) and a year-end operating loss of £42,094,000 (2021: £404,237,000 profit). This loss is largely driven by our year-end valuation exercise, with lower quoted multiples driving impacting the quoted portfolio directly and associated lower

comparable multiples impacting the unquoted portfolio. This resulted in an unrealised losses of £212,675,000 (2021: £269,452,000 gain), representing a provision of 8% on the value of the portfolio. Our quoted portfolio, with a provision of 27%, outperformed the AIM market which fell by 32%, while the unquoted portfolio required a provision of only 3%, demonstrating the resilience of the companies we are invested in.

We are very pleased to report investment income net of operating costs of £31,868,000 (2021: £2,262,000 loss), and very robust level of realised capital gains of £138,713,000 (2021: £137,047,000).

Business review

BGF continues to deliver on its purpose of championing growing businesses and dynamic entrepreneurs across the UK and Ireland. 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 to later stage venture capital and growth capital, where BGF has made the most meaningful impact so far, and also to smaller quoted companies.

Business review continued

In 2022, BGF extended its partnership with Coutts, which allows Coutts clients to invest in small and mid-sized enterprises (“SMEs”), with the launch of the UK Enterprise Fund 2. This will provide additional funding for BGF to deploy alongside its own capital and the existing Irish and UK Enterprise funds.

Operations in 2022 have been impacted by economic uncertainty and changes as the threat of Covid receded. Despite this, BGF invested over £400m and has maintained a good pipeline going into 2023. The economic climate and comparable quoted valuations at the end of 2022 has led to a fall in the valuation of the portfolio at the year-end, but, critically, the overall position still shows a value surplus over cost. Exit activity has also held up well, generating proceeds of nearly £650m at an uplift of 28% over the previous valuation, and 74% over the amount invested.

Exits

2022 saw 40 companies fully exited during the year and a number of partial disposals on companies that remain within the BGF portfolio. These collectively generated proceeds of £648m from investments with an original cost of £369m and fair value of £503m. BGF retained investments valued at £4m as part of the exits.

Overall, the realised returns have reinforced the long-term capability of our diversified portfolio. We will manage our portfolio through the different challenges and opportunities that arise year on year, and will see realised gains arising as a consequence. The ‘evergreen’ nature of BGF remains a key strategic quality of BGF.

Investment activity

Continuing to invest through economic cycles is key to maintaining a diversified balance sheet. In 2022, BGF invested £313m in new deals, £280m from its own balance sheet and £33m through its managed funds with UKEF and Ireland. In Growth we made 25 new direct investments, investing £216m. BGF Quoted invested £59m in seven AIM companies and our Earlier Stage business invested £38m in 13 earlier stage companies. The Group also provided a further £131m 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.

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 why our regionally based model is so 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. Sustained growth requires regular funding over the long term and 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 we are now the largest provider of growth capital in the UK, BGF is mindful that 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 ultimately benefit UK entrepreneurship.

Board of Directors

Our Board



Stephen Welton
Non-Executive Chair
Date of joining: 2011

Experience
Stephen Welton is Non-Executive Chairman of BGF, a role he has held since 2023. Before taking on the role of Non-Executive Chairman, Stephen was the Founder CEO between 2011 and 2020 of BGF and later Executive Chair from 2020 and 2022.

Stephen led the expansion of BGF into Ireland and has been integral in establishing the Canadian and Australian Business Growth Funds. He also serves as Chair of the newly established BGF Foundation.

Stephen has extensive experience as an investor in private capital markets around the world. Prior to BGF, he 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. He is currently a Non-Executive Director of FTSE 100 ICG plc.

Stephen was a member of the Prime Minister’s 2021 Business Council and has held a number of related positions including as a Non-Executive Director of Innovate UK and a member of HM Treasury’s Patient Capital Review.



Neil Johnson
Deputy Chair & Senior Independent Director
Date of joining: 2011

Experience
Neil is currently Chairman of QinetiQ Plc and Unbound Group Plc. He was until recently Executive Chairman of Electra Private Equity Plc. He previously chaired Synthomer Plc, Motability Operations Group Plc, Centaur Media Plc and Hostmore 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, BAe, Jaguar and Land Rover. Neil is the Senior Independent Director on the BGF Board.

Board of Directors continued



Andy Gregory
Chief Executive Officer
Date of joining: 2020 (exec since 2011)

Experience
Andy is Chief Executive Officer at BGF. He is a member of BGF’s Board, 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 Livingbridge, Bridgepoint and Royal Bank Development Capital.

He is a chartered accountant with over 30 years’ experience in private equity, acquisition finance and corporate finance. Andy also has industry experience, having been group finance director of Pennine Retail Systems, 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, IT 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.

For some months immediately prior to joining BGF, Matt worked with a number of start-ups which he believes was the most relevant and challenging training he received to date.

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



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



Kris Isherwood
Non-Executive Director
Date of joining: 2021

Experience
Kris Isherwood is the CFO for Eights 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 total assets of c\$8bn. 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.



Jim Strang
Non-Executive Director
Date of joining: 2021

Experience
Jim has spent over 20 years in the private equity industry, latterly serving as Chairman EMEA and Managing Director at Hamilton Lane. Hamilton Lane is a publicly listed company and is one of the largest asset managers and investors wholly dedicated to private equity investments, managing over \$800bn for a diverse base of global clients. Jim’s career in private equity encompasses a wide range of experience gained across multiple transactions, market cycles and global markets both as an LP at Hamilton Lane preceding that as a GP in the UK Lower Mid-Market GP, Dunedin LLP. Before entering the private equity industry, Jim served as a strategy consultant at Bain & Company, working extensively with private equity clients across the world on numerous projects. Before this, he worked as a UK equities fund manager, focusing on growth investments in the UK. Jim is a Non-Executive Director and Chairman of the Board at Hg Capital Trust plc, a senior adviser to Bain and Company, CVC Capital Partners, Campbell Lutyens and Hamilton Lane and a Fellow at London Business School.

Board of Directors continued
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 Bayes Business School, London, where he is also an Honorary Visiting Professor.



Stuart Johnstone
NatWest
Date of joining: 2018

Experience
Stuart is the Director of Risk for the Commercial & Institutional franchise at NatWest Holdings, having previously held a number of senior leadership roles across the NatWest Group including as Chief Operating Officer for the Risk Function, Regional Managing Director for Corporate and Commercial Banking in London & South East and Head of Non-Personal Products.

Stuart has over 25 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 NatWest in 2007.



Steven Poulter
Barclays
Date of joining: 2020

Experience
Steven Poulter is Head of Principal Structuring & Investments at Barclays, running a portfolio of activity including Barclays Sustainable Impact Capital, whereby Barclays is investing £500m by 2027 in the equity of fast-growing, innovative and environmentally focused early-stage technology companies. He also chairs SaveMoneyCutCarbon, and is a board director of Origami Energy Limited and Protium Green Solutions Limited.

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

Effective corporate governance is fundamental to the way BGF and its portfolio companies conduct business. 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. This framework is reviewed on an annual basis considering any changes to the Group’s strategy.

The Board met for six scheduled full meetings during FY2022, this including a strategy session incorporated into the July meeting.

A table of individual Board member attendance at the scheduled Board and Committee meetings is provided below.

The Board’s agenda is set by the Chair. Board members and, as appropriate, executives from the relevant business areas are invited to present on key items allowing the Board the opportunity to debate and challenge initiatives directly with the senior management team.

The Board in its decision-making has regard to the interests of stakeholders as well as the other factors mentioned in section 172 of the Companies Act 2006. Examples of key decisions and how the Board has considered the interests of relevant stakeholders are set out on [page 36](#).

In addition to the Board decisions referred to above, the Board also dealt with its regular annual cycle of business including: the annual budget; monthly reports from the Executive Chair / Chief Executive; updates from the Board sub Committees; Portfolio and Valuations; the Annual report and accounts; and the Company’s organisational evolution and succession.

Sustainability considerations are an important part of the Board agenda, and during the year we have received detailed reports from our Head of ESG on ESG matters, including our application to become a B Corp. Alice Avis continues to act as the Non-Executive Director responsible for ESG matters, liaising with management on a regular basis.

A key part of the Board’s agenda during the year was the Strategy session held in July, where we undertook: a detailed review of the Portfolio in the context of current and projected macroeconomic, geopolitical and environmental developments; Investment and People Strategy; and reviewed the findings from the external Market Research project undertaken during the first half of 2022.

As part of BGF’s ongoing organisational evolution, 2022 also saw Andy Gregory appointed by the Board as Chief Executive Officer, effective on 1 September 2022. As part of this succession, Stephen Welton’s role changed from Executive Chair to Non-Executive Chair effective 1 January 2023. This was the culmination of a process designed and delivered by an independent leadership advisory panel working with the Board of BGF and its shareholders over the last three years. Andy has held the role of Chief Investment Officer since May 2021 and before that was Head of Investments, UK & Ireland since January 2020.

The Directors and their membership of key Board Committees, as at 31 December 2022, is 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	Chief Executive Officer	●	–	–	–
Kris Isherwood	Non-Executive Director	●	●	–	–
Neil Johnson	Deputy Chair and Senior Independent Director	●	–	●	●
Stuart Johnstone	Bank Member Director	●	–	●	–
Steven Poulter	Bank Member Director	●	–	–	–
Matthew Reed	Chief Operating Officer	●	–	–	–
Jim Strang	Non-Executive Director	●	–	●	●
Stephen Welton	Non-Executive Chair	●	–	–	●
Adrian White	Bank Member Director	●	●	–	●

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

The Board is satisfied that each of the Chairs 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 Chair and/ or the Company Secretary to ensure that they are fully apprised of the discussions.

Changes to Directors

No Director changes occurred during the year and up to the date of this report.

Role of the Chair

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

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.

Corporate Governance continued

The Board has adopted a formal schedule of matters that are specifically reserved for its decision making 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.

Specific responsibilities are delegated to sub-committees such as the Audit and Risk, Nominations, Remuneration, Executive, Environmental, Social and Governance (“ESG”), 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 Chief Executive 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 Senior Independent Director on 21 March 2013 and Deputy Chair on 1 July 2020. The Senior Independent Director is available to shareholders if they have concerns that cannot be resolved through discussion with the Chair, 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.

As referenced above, following a thorough process led by the Nominations Committee, and as part of the ongoing Board evolution, Andy Gregory was appointed as Chief Executive Officer during 2022 and Stephen Welton’s role changed from Executive Chair to Non-Executive Chair following year end. Ongoing Board evolution and wider organisational succession planning will continue to be discussed by both the Nominations Committee and Board during 2023.

The Executive Directors’ positions are inherently linked to their roles within the Group and will therefore not be subject to re-appointment. 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 a 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 periodically as needed. A formal and detailed Board Effectiveness Review was last carried out during 2021.

A report detailing findings and recommendations was produced and discussed with the Chair and Deputy Chair, before being sent to the Board Members. This was then subsequently discussed at the Board, with various recommendations being implemented.

The recommendations made are now being revisited by the Chair and discussed individually with each of the Board members to ensure these have all been appropriately addressed.

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 and 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 and 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 engage with the different teams across the business and work closely with the Legal, Finance and Portfolio teams.

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 and 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

Risk Review

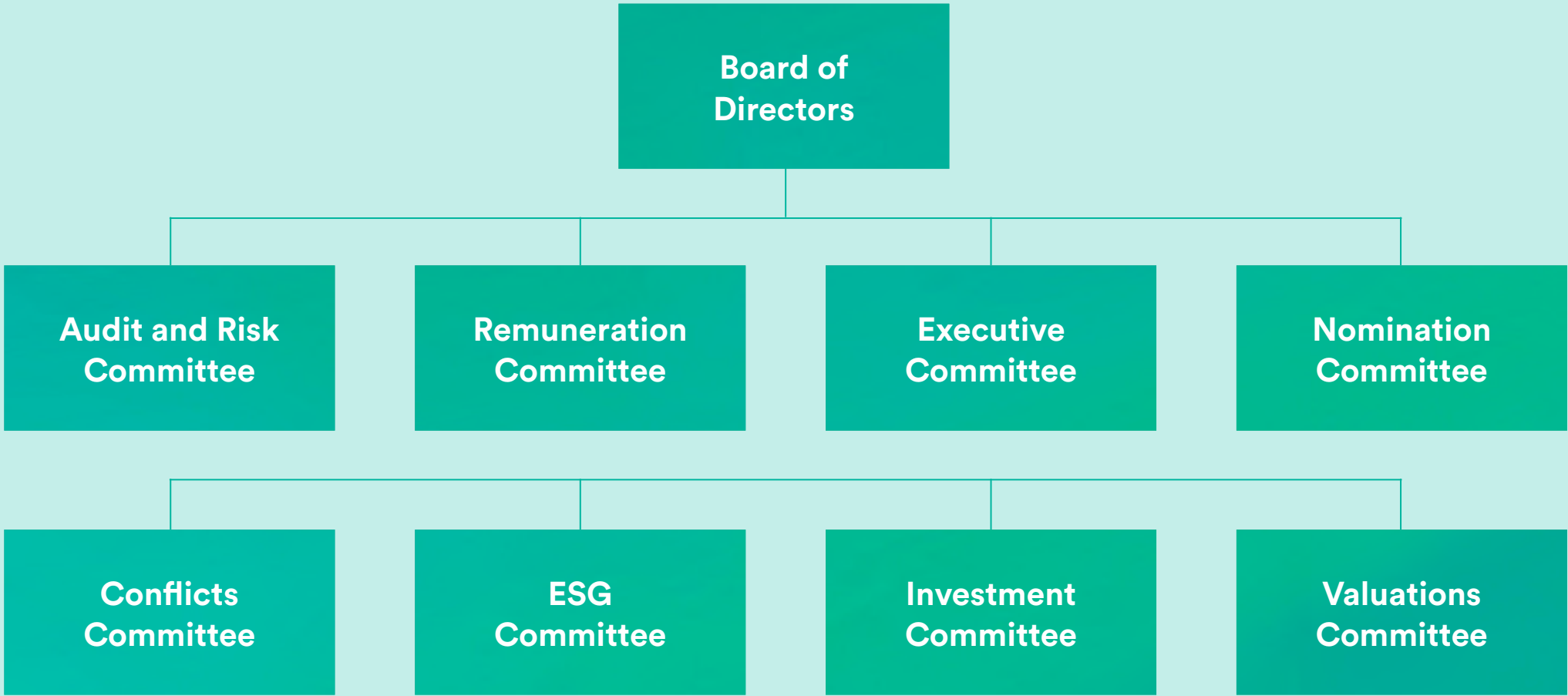
Risk	Impact	Mitigation	Trend
Portfolio Performance and Returns	Risk of portfolio underperformance by way of investments not generating a risk adjusted commercial rate of return over time	Experienced IC members and rigorous IC process	Macro-economic trends and ongoing uncertainty, continuing to impact some portfolio companies
		High quality investment teams	However overall, the portfolio has been remarkably robust over the period, with a record number of exits during 2022, generating £676m of exit proceeds, and 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	Robust investment management of portfolio	↑
		Growing / established reputation within the market	Investment levels on a LTM basis, as well as over a three year period, continue to be positive, although pipeline remains subject to fluctuations (both positive and negative) in the short term.
		Track record of being the most active Growth Capital investor in the UK	Total investment of £444m in 2022
		Regional focus and approach	→
		Supportive bank shareholder network	

Risk	Impact	Mitigation	Trend
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	Long-term funding diversification continues to be a focus of the Board
		Supportive bank shareholder base	Funding discussions and development of potential ongoing investor 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 BGF UK Enterprise Fund 1 and 2, and ongoing development on potential investor base	
Reputational	Risk that there is a significant reputational issue that has a material impact on BGF	Revolving Credit Facility	
		BGF’s culture and reputation within the market	Under constant review, and readiness to address matters as they arise
		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	

Corporate Governance continued

Risk	Impact	Mitigation	Trend
Recruitment and Retention	<p>Risk that BGF is not able to attract or retain staff due to an inadequate or below market remuneration policy</p> <p>Risk that remuneration policy does not remain appropriate to the needs of the business</p>	<p>Robust moderation and Remuneration Committee process in place, including annual assessment and review of the remuneration policy</p> <p>Compensation model aligned with the long-term objectives and risk profile of the business</p> <p>Both short term and long-term components form the basis of total compensation</p>	<p>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 retain talent</p> <p>→</p>
Financial Operating Performance	<p>Risk of poor financial operating performance</p>	<p>Budget process, including Executive Committee, Board, and Shareholders review and approval</p> <p>Detailed monthly financial monitoring and reporting</p>	<p>Operating performance before valuations continues to be profitable and ahead of Budget</p> <p>→</p>
Compliance and Regulatory	<p>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</p>	<p>Detailed procedures set out in Compliance Manual and formally assessed via Annual Affirmation exercise</p> <p>Appointment of Compliance Officer who has sufficient seniority and independence, supported by BGF's own internal Compliance team</p>	<p>No significant regulatory or compliance breaches during the course of 2022</p> <p>→</p>

The Board has delegated certain responsibilities and functions to Committees. Details of membership of the Committees at 31 December 2022 may be found on [page 43](#).



Corporate Governance continued

Audit and Risk Committee Report



On behalf of the Audit and Risk Committee, I am pleased to present the Audit and Risk Committee report for the year ended 31 December 2022.

The report covers the Audit Committee’s key work streams and responsibilities for the year.

During the year we held four in-person meetings, with BGF representatives and the external audit partner, KPMG, in attendance at each meeting.

Throughout the year, the Committee covered its standard agenda items, which include financial reporting, risk framework reporting, compliance monitoring, valuations, insurance and other FCA required items.

The Committee’s focus is on allowing for healthy and robust exploration of key matters.

This is facilitated by detailed information published in the quarterly Audit and Risk Report, which is supplemented by updates from business executives. Throughout the meetings, KMPG provide insights and perspectives from audit planning, valuation and audit approach and closure. We have found their ongoing attendance to be highly constructive in providing a further layer of independent insight and transparency around audit and risk processes.

In advance of each Committee meeting, I met the Chief Operating Officer to identify key matters of focus and the meeting agenda in detail, to ensure strong Committee efficiency and performance.

The rest of the report sets out in detail the Committee’s activities in the year.

Kris Isherwood
Audit and Risk Committee Chair

Role of the 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 Groups 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.

Attendance of members in the year

There were four Audit & Risk Committee meetings in 2022. Member attendance was as follows:

On 12 April:	Kris Isherwood (Chair) James Chew Adrian White
On 21 June:	Kris Isherwood (Chair) James Chew Adrian White
On 20 September:	Kris Isherwood (Chair) James Chew Adrian White
On 13 December:	Kris Isherwood (Chair) James Chew Adrian White

Corporate Governance continued

Summary of key considerations of the Committee

The Committee pays particular focus to the Group’s internal control and risk management systems and how these support the financial reporting obligations of the firm. These controls exist throughout the business with a dashboard summary maintained real-time for reputational matters and monthly for financial and other measures. The Committee also has access to the following to enable effective oversight of controls and risk management:

- The valuations committee which meets twice per annum and reviews the portfolio valuations. The valuation exercise is partly automated and goes through a number of review process before being presented to the Committee for assessment and sign off. Where Committee does not agree to a valuation unanimously, this is reported to the Audit and Risk Committee. KPMG attend this committee.
- Reports from an external independent compliance review firm who visit BGF quarterly and both advise on regulatory developments, but also test aspects of BGFs compliance function out the year. The reports are prepared for the Audit and Risk Committee and during 2022 the firm attended a Committee to provide an update on key themes and their processes.

Another activity we adopt to build resilience in our operating model is the adoption of periodic assessments or ‘deep-dives’ to address specific parts of our business model. In 2021 the business reviewed its Quoted investment policies and controls with the support of external legal counsel with enhancements implemented. During 2022 the business reviewed its ESG development and consequently established the ESG Committee, responsible for any ESG matters requiring escalation from a portfolio perspective and to help establish best practice of investor in delivering our ESG policies when investing.

However, during 2022, and the war in the Ukraine, the resultant energy prices and persistent supply chain issues led to the business conducting specific portfolio risk assessments throughout the year to ensure we remained ahead and prepared for issues requiring our attention and potentially resource. This team reports to the Audit and Risk Committee and consequently tracked the Group’s potential financial resource required to support the portfolio. This was a very effective risk management exercise and one we are able to redeploy should circumstances require.

In relation to areas of accounting judgement adopted by the Group, the Committee focused on the following in relation to the 2022 accounts:

Valuations

The most significant area of judgement of the Group’s accounts are assessed bi-annually. The Valuation Committee adopted a small number of policy changes during the year to reflect both process improvements and auditor feedback, to enable the output of the exercise to continue to present a fair value of the Groups investments across Earlier Stage, Quoted and Growth.

Provisions

Year end provisions are appropriately scrutinised to ensure the Group presents an accurate position at 31 December 2022. This includes discussions with internal and external legal counsel, analysis of tax computations and review of any other factor that may necessitate the recognition of a provision.

Going Concern

An exercise is conducted annually to reviews the Group’s liquidity, activity forecasts and access to sources of funding including undrawn shareholder committed capital and the Revolving Credit Facility.

Appointments

During the year, the Committee considered and approved the appointment of Matthew Reed as Senior Accounting Officer.

What the Committee reviewed in 2022

Financial reporting

- Monthly Management Information
- Bi-annual portfolio valuations
- Annual Report including going concern assessment
- Taxation

External audit

- Auditor appointment and fees
- Audit scope and plan with clear focus on portfolio valuation testing
- Audit results

Internal controls, compliance and risk management

- Monthly risk framework reporting and risk management enhancements
- Annual Systems and Controls and Internal Governance Reporting
- Annual MLRO report
- Dear CEO communications from the FCA

Corporate Governance continued

Remuneration Committee Report



On behalf of the Remuneration Committee and Board, I am pleased to present the Remuneration Committee report for the financial year ended 31 December 2022.

At BGF, we believe that people and partnerships are the bedrock of our business. We are passionate about the companies and businesses we support and proud of the way our people work together. This is echoed not just in the way we conduct our business, but also in how

we value and reward our employees. From the recruitment of talented and diverse individuals, through to the continuous development and personal growth of our people, we strive to foster an open, collaborative and inclusive environment within which everyone can thrive.

BGF’s remuneration structures support our long-term strategy and risk profile and seeks to align all stakeholder interests by ensuring performance is recognised and rewarded appropriately and fairly. We pay market competitive salaries, pension and benefits and have an annual discretionary bonus structure that is aligned to company, team and individual performance, both in terms of *what* has been achieved as well as how it has been achieved. Bonuses for Senior Executives are assessed with reference to a balanced scorecard of weighted financial and non-financial key performance areas, including ESG measures. Our Long-Term Incentive Plan (“LTIP”) has also been designed to drive long-term motivation, retention and value creation. It is also fully aligned to our long-term minority investment strategy, which, by its nature, encourages a multi-year collegiate approach with a focus on creating value for our shareholders.

Neil Johnson
Remuneration Committee Chair

Activities of the Committee

The Committee provides robust governance of BGF’s remuneration principles and structures, and its purpose is to develop, review and advise the Board on the over-arching principles, parameters and governance framework of the Group’s remuneration policy and the remuneration of Senior Executives. Over the course of the year, the Remuneration Committee has met twice and carried out the following activities:

- Reviewed and approved BGF’s remuneration policy to ensure it is appropriate to retain and incentivise a talented workforce that is in line with shareholder interests and appropriately benchmarked against market data.
- Oversaw the application of the remuneration policy to ensure it continues to be applied consistently and fairly.
- Considered the overall approach taken for the firm’s annual compensation review particularly in light of the competitive talent landscape, the UK economic outlook and the significant cost of living pressures.
- Reviewed and approved individual remuneration for Senior Executives and ensured these were commensurate with their performance assessed against a balanced scorecard.

- Reviewed and approved the approach taken in respect of LTIP allocations as well as ongoing assessment of the LTIP scheme to ensure it remains effective and appropriate.
- Supported the organisational evolution of the senior leadership team.

During the year, the Remuneration Committee also received independent advice from remuneration consultants Alvarez & Marsal.

Attendance of members in the year

There were two Remuneration Committee meetings in 2022. Member attendance was as follows:

On 31 January:	Neil Johnson (Chair) Stuart Johnstone Jim Strang Stephen Welton
On 8 November:	Neil Johnson (Chair) Stuart Johnstone Jim Strang

Corporate Governance continued

Directors’ Remuneration Policy – Principles and objectives

The primary objectives of BGF’s Remuneration Policy are:

- To attract, retain, and reward talented employees;
- To motivate and reward good performance; and
- To meet relevant regulatory requirements, so far as these apply to BGF.

The main principles of the Policy are:

- To align remuneration with the business strategy, shareholder interests and prudent risk management; and
- To ensure that total remuneration is set at a level that is market competitive by benchmarking against relevant external comparators, taking account of size, complexity and market practice.

Summary of Executive Director Remuneration		
Element	Purpose	Detail
Base Salary	Provides fixed remuneration at an appropriate level to attract and retain talent.	Individual levels of base salary are reviewed annually with any increases effective from 1 January, unless there are any exceptional reasons for increases at another time of the year.
Pension	Provides a competitive remuneration package to aid retention of key talent.	Executive Directors receive a pension contribution from the Company equal to 10% of salary, which can either be paid into the Group’s defined contribution pension scheme or taken in cash (in part or in full). This is in line with the wider workforce.
Benefits	Provides a competitive remuneration package to aid retention of key talent.	Executive Directors receive benefits including private medical insurance, private health insurance, life assurance and an annual health assessment.
Annual Bonus	Variable remuneration that rewards firm, team and personal performance.	Discretionary award based on financial and non-financial key performance metrics.
LTIP	Drive long term motivation, retention and value creation.	Executive Directors receive an Interest in BGF Investments LP. The Partnership receives payments dependent on the fund’s performance.

Nominations Committee Report



I am pleased to present the Nominations Committee report for the year ended 31 December 2022.

This report explains the function and work performed by the Nominations Committee during the year. We are

essentially tasked with ensuring that the Board has the necessary skills and experience to guide the business in achieving its strategic objectives.

The Committee regularly reviews the Board composition, develops plans for succession and ensures we have the right mix of experience and expertise to complements our shareholder Directors’ skills.

Neil Johnson
Nominations Committee Chair

Role of the Committee

The role of the Committee is to consider and make recommendations to the Board on the Board’s composition and balance of skill 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 a 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 Chair and Chief Executive;
 - The appointment of the Company Secretary;
 - The appointment of an independent Non-Executive Director;
 - Membership of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the chair of those committees; and
 - The appointment of any Director to an executive or other office of the Group (other than to the positions of Chair and Chief Executive, the recommendation for which would be considered at a meeting of the Board).

Activities in the year

Review and recommendation of: the organisational evolution of Andy Gregory being appointed as Chief Executive Officer and Stephen Welton transitioning to Non-Executive Chair; the longer term evolution of the Board and Independent Directors; and Committee Terms of Reference and Membership.

Attendance of members in the year

There were four Nominations Committee meetings in 2022. Member attendance was as follows:

On 9 March:	Neil Johnson (Chair) Stephen Welton Adrian White (Jim Strang’s appointment to the Nominations Committee was agreed at this meeting.)
On 21 April:	Neil Johnson (Chair) Stephen Welton Jim Strang Adrian White
On 14 July:	Neil Johnson (Chair) Stephen Welton Jim Strang Adrian White
On 9 December:	Neil Johnson (Chair) Stephen Welton

Corporate Governance continued

Additional committees

ESG Committee

The Company has also now established an ESG Committee. The purpose and duties of the ESG Committee are as follows:

- Identify, review and monitor ESG issues in new deals or in portfolio companies;
- Agree action to be taken and where appropriate provide approval;
- Establish best practice for investors in relation to BGF’s ESG policy including the maintenance of the Investment Criteria and Exclusion List; and
- Discuss ESG issues ahead of presentation at the Board and Audit and Risk Committee.

Executive Committee

The Company has monthly Executive Committees, which consists of the Group Executive Chair and each of their 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 Chair.

Investment Committee

The purpose of the 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 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.

Conflicts Committee

The duties of the 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 seven times during 2022 and in all cases the potential conflicts were managed in a robust and effective manner.

Directors’ Report

The Directors present their Directors’ Report and Consolidated Financial Statements for the year ended 31 December 2022.

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 CR policies and political and charitable donations within the Strategic Report on [pages 6 to 38](#).

Going Concern

The Group finished the year with cash balances of £414m 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 reports and financial statements.

Dividends

During the year a dividend of £30m was paid (2021: £nil) following approval by the Directors. The Directors do not recommend payment of any further dividend for 2023.

Creditor payment policy

The Group’s payment policy is to settle supplier invoices in accordance with agreed terms. At 31 December 2022, the Group had 39 days (2021: 43 days) of purchases held in creditors.

Substantial shareholdings

As at 31 December 2022, the ordinary share capital was issued as follows:

No. of shares	No. of shares	% of issued share capital
HSBC (BGF) Investments Limited	235,614,394	24.617%
RBS SME Investments Limited	235,614,394	24.617%
Uberior Investments Limited	235,614,394	24.617%
Barclays Funds Investments Limited	235,614,394	24.617%
Standard Chartered Bank	14,671,424	1.532%
Total	957,129,000	100%

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

On 6 December 2022, the courts approved a share capital reduction of £1bn which was registered with Companies House on 20 December 2022. This improves the ability of BGF Group to distribute dividends to shareholders.

Directors

The Directors who held office during the year are set out in the Corporate Governance report on [page 39](#).

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.

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 2023 and signed on its behalf by:



Stephen Welton
Non Executive Chair

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 2022 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 2022 and of the Group’s loss 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 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.

Independent Auditor’s Report to the members of BGF Group Plc continued

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 the journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those containing key words, material journal entries recorded as post-closing entries, unusual or unexpected pairing between cash and revenue/unusual accounts, and journals relating to investment valuations.

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.

Independent Auditor’s Report to the members of BGF Group Plc continued

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 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.

Directors’ responsibilities

As explained more fully in their statement set out on [page 54](#), 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 De La Rue (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

26 April 2023

Consolidated profit and loss account
For the year end 31 December 2022

	Notes	2022 £'000	2021 £'000
Investment income	2	106,008	120,586
Operating expenses	3,4	(74,140)	(122,848)
Net realised gain	8	138,713	137,047
Net unrealised (loss)/gain		(212,675)	269,452
Operating (loss)/gain		(42,094)	404,237
Interest receivable and similar income	6	857	86
Interest payable and similar expenses	7	(2,329)	–
(Loss)/Profit on ordinary activities before taxation		(43,566)	404,323
Taxation on ordinary activities	9	6,154	(17,790)
(Loss)/Profit on ordinary activities after taxation		(37,412)	386,533
Total comprehensive (loss)/income		(37,412)	386,533

All income and expenditure arose from continuing operations.

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 62 to 84 form an integral part of these financial statements.

Consolidated and Company balance sheet
As at 31 December 2022

	Notes	2022 Consolidated Group £'000	2022 Company £'000	2021 Consolidated Group £'000	2021 Company £'000
Fixed assets					
Investments	10	2,315,249	–	2,617,158	–
Investment in Group entities	11	–	1,157,855	–	1,157,855
Tangible fixed assets	12	6,928	–	8,051	–
		2,322,177	1,157,855	2,625,209	1,157,855
Current assets					
Debtors:	13				
Amounts falling due within one year		63,262	822,398	49,259	833,708
Amounts falling due after one year		57,013	–	53,018	–
		120,275	822,398	102,277	833,708
Cash at bank and in hand		414,422	–	196,876	–
		534,697	822,398	299,153	833,708
Creditors					
Amounts falling due within one year	14	(26,757)	(84)	(26,845)	(75)
Net current assets		507,940	822,314	272,308	833,633
Total assets less current liabilities		2,830,117	1,980,169	2,897,517	1,991,488
Creditors					
Amounts falling due after one year	15	(144,407)	–	(144,395)	–
Provisions for liabilities and charges	16	(528)	–	(414)	–
Net assets		2,685,182	1,980,169	2,752,708	1,991,488
Capital and reserves					
Called up share capital	17	957,129	957,129	1,957,129	1,957,129
Retained earnings	19	1,728,053	1,023,040	795,465	34,359
Minority interest	18	–	–	114	–
Equity		2,685,182	1,980,169	2,752,708	1,991,488

These financial statements were approved by the Board of Directors on 20 April 2023 and were signed on its behalf by:



Andy Gregory
(Chief Executive Officer)

Company registration number: 10657226

The notes on [pages 62 to 84](#) form an integral part of these financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2022

		Called up Share Capital £'000	Profit & loss account £'000	Minority Interests £'000	Total equity £'000
Consolidated Group	Notes				
Balance at 1 January 2022		1,957,129	795,465	114	2,752,708
Loss for the period		–	(37,412)	–	(37,412)
Share capital reduction	17,19	(1,000,000)	1,000,000	–	–
Dividend paid	19	–	(30,000)	–	(30,000)
Reclassification to creditors	18	–	–	(114)	(114)
Balance at 31 December 2022		957,129	1,728,053	–	2,685,182

For the year ended 31 December 2021

		Called up Share Capital £'000	Profit & loss account £'000	Minority Interests £'000	Total Equity £'000
Consolidated Group	Notes				
Balance at 1 January 2021		1,800,629	408,932	106	2,209,667
Profit for the period		–	386,533	–	386,533
Issue of shares		156,500	–	–	156,500
Acquisition of minority interests	18	–	–	8	8
Balance at 31 December 2021		1,957,129	795,465	114	2,752,708

The notes on pages 62 to 84 form an integral part of these financial statements.

Company statement of changes in equity
For the year ended 31 December 2022

Company	Notes	Called up Share Capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 January 2022		1,957,129	34,359	1,991,488
Profit for the period		–	18,681	18,681
Share capital reduction	17,19	(1,000,000)	1,000,000	–
Dividend paid to Group	19	–	(30,000)	(30,000)
Balance at 31 December 2022		957,129	1,023,040	1,980,169

For the year ended 31 December 2021

Company	Called up Share Capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 January 2021	1,800,629	14,724	1,815,353
Profit for the period	–	19,635	19,635
Issue of shares	156,500	–	156,500
Balance at 31 December 2021	1,957,129	34,359	1,991,488

The notes on [pages 62 to 84](#) form an integral part of these financial statements.

Consolidated cash flow statement
For the year ended 31 December 2022

	2022 £'000	2021 £'000
Cash flows from operating activities		
Operating (loss)/gain	(42,094)	404,237
<i>Adjustments for:</i>		
Depreciation	1,344	1,433
Foreign exchange (gain)/loss	(150)	547
Profit on disposal of fixed assets	3	9
Net unrealised loss/(gain)	212,675	(269,452)
Net realised gain	(138,713)	(137,047)
(Increase)/decrease in debtors	(4,335)	171
Increase in creditors	2,225	72,115
Increase in accrued income	(6,026)	(27,661)
Taxation paid	(2,022)	(2,482)
Net cash from operating activities	22,907	41,870
Cash flows from investing activities		
Purchase of investments*	(411,709)	(567,649)
Disposal of investments	637,902	501,414
Purchase of tangible fixed assets	(202)	(922)
Interest received	573	86
Net cash used in investing activities	226,564	(67,071)
Cash flows from financing activities		
Increase in share capital issued	–	156,500
Dividends paid to shareholders	(30,000)	–
Interest paid	(1,925)	–
Minority interest	–	8
Net cash from financing activities	(31,925)	156,508
Net increase in cash and cash equivalents	217,546	131,307
Cash and cash equivalents at 1 January	196,876	65,569
Closing cash position	414,422	196,876

* Purchase of investments includes £1,807,000 (2021: £632,000) of interest capitalised in the year and excludes £2,857,000 (2021: £31,439,000) of recycled investment retained on exits completed in the year.

The notes on [pages 62 to 84](#) form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2022

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, 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 £2.193bn. As at the date of signing these financial statements £1.957bn of this had been drawn from shareholders leaving £236m available to meet the future funding needs of the business. The Group has not drawn funding from shareholders since June 2021, and as at 31 December 2022 held a cash balance of £414m.
- 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.
- In 2022 the Group raised capital with Coutts which will contribute £39m of co-invest funding from 1 July 2022, this is in addition to the £42m raised in 2021, taking the total funding raised with Coutts to £81m. As at the 31 December 2022 £43m of the funding remained undrawn. The Group is also in the process of raising additional funding with Coutts which it is anticipated will provide a further £50m of funding. In addition to this, the Directors continue to explore other opportunities for external funding which would allow the business to expand further if required.
- The Group has agreed a three-year £100m Revolving Credit Facility on 4th April 2022 to provide additional short term liquidity. This will provide further comfort that investment activity can be maintained in the event of a temporary delay in exit proceeds.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their 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 2022 and the assets and liabilities as at 31 December 2022 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.

Notes to the financial statements continued
For the year ended 31 December 2022

1. Accounting policies continued

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.

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.

Overdue balances as at the year end are assessed during the valuation process to determine whether the Company has sufficient value to be able to settle outstanding fees. For any companies that are identified as having insufficient value, a provision is recognised against the outstanding balance.

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.

Notes to the financial statements continued
For the year ended 31 December 2022

1. Accounting policies continued

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 (2022), 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. Offers received, adjusted to reflect execution risk;
- 5. Discounted cash flows or earnings from the underlying business; or
- 6. 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 & 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.

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. During the year, the minority interest element has been reclassified from equity to long-term liabilities, refer to Note 19 for detail.

The amounts payable under the LTIP are provided at the balance sheet date based on the amounts expected to be paid, which is typically calculated with reference to fair values at the balance sheet date as an approximation of expected cash flows. The movement in the provision is recognised as an expense in the Profit & Loss account.

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 following areas are where management make critical estimates and judgements that may have a significant effect on the financial statements.

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.

Notes to the financial statements continued
For the year ended 31 December 2022

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 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. 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. Note 10 provides further detail on the Group’s investments at fair value through profit and loss.

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 9 provides further detail on the Group’s deferred tax assets.

III. Provision for legal claims

Given the size of the portfolio there is potential for claims to be made against BGF from time to time. A provision will be recognised when a present obligation arises which is probable to result in an outflow of resources which can be reliably estimated. No provisions have been made for the year ending 2022 (2021: £nil).

IV. LTIP provision

As stated in accounting policy ‘l’, a provision is recognised for LTIP payable where it is expected that the realised returns on a given vintage will exceed a minimum hurdle rate. Significant judgements on the likely timing and amount of future cashflows are required to measure the Group’s provision for LTIP payable. Management have used the fair value as at the balance sheet date as an estimate of the expected future proceeds. Note 3 and Note 15 provides further detail on the Group’s LTIP provision.

2. Investment income

	2022 £’000	2021 £’000
Dividend income – investee companies	21,762	21,286
Loan note interest – investee companies	67,828	80,191
Arrangement fee income	5,235	8,472
Annual fee income	9,430	8,532
Other income	1,753	2,105
Total	106,008	120,586

3. Operating expenses

	2022 £’000	2021 £’000
Staff costs	55,986	37,956
Premises costs	3,924	3,682
Marketing costs	2,310	1,371
IT costs	2,103	2,009
Professional fees	2,428	1,718
Depreciation	1,345	1,433
Investment costs	2,040	1,491
Movement in LTIP provision	(111)	68,871
Other costs	4,115	4,317
Total	74,140	122,848

Included within other costs is auditor’s remuneration as follows: £37,000 (2021: £31,000) for the audit of these financial statements, £318,000 (2021: £258,000) for the audit of the subsidiaries of the Company and £27,500 (2021: £62,500) for other audit related assurance services.

Notes to the financial statements continued
For the year ended 31 December 2022

4. Staff costs

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

	2022	2021
Non-Executive Directors	8	9
Executive Committee	5	5
Investment staff	117	117
Support staff	67	61
Total	197	192

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages & salaries	33,901	31,540
Amounts paid under the LTIP	14,826	–
Social security costs	5,265	4,606
Other pension costs	1,994	1,810
Total staff costs	55,986	37,956

At 31 December 2022, the total number of staff (including Non-Executive and Shareholder Directors) was 197 (2021: 198).

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. A provision is recognised over the life of the vintage as the assets generate a yield, are revalued and finally realised. The provision will increase or decrease based on the total realised and unrealised return of each vintage. Payments are only made to participants once the realised returns are sufficient to repay the full amount invested in the vintage in addition to a compounded preferred rate of return. Since 2011, realised returns on three vintages have exceeded the preferred shareholder return. Two of these vintages generated LTIP payments to participants during 2022. 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.

The provision for future payments under the LTIP is shown in Note 16 and the charge to the profit and loss account in Note 3.

5. Directors’ remuneration

The emoluments of the Directors in respect of the year ended 31 December 2022 were as specified below:

	2022 £'000	2021 £'000
Directors’ remuneration	3,744	3,695
Amounts paid under the LTIP	2,949	–
Other benefits	6	10
Total remuneration	6,699	3,705

The aggregate of remuneration and amounts receivable of the highest paid Director was £3,019,000 (2021: £1,400,000), and other benefits of £2,200 (2021: £2,000).

6. Interest receivable and similar income

	2022 £'000	2021 £'000
Interest on bank deposits	796	2
Other interest receivable	61	84
Total	857	86

7. Interest payable and similar expenses

	2022 £'000	2021 £'000
Revolving credit facility fees	2,329	–
Total	2,329	–

8. Realised capital transactions

	2022 £'000	2021 £'000
Proceeds received	647,627	538,317
Exit fees	(6,130)	(5,377)
Fair value	(502,784)	(395,893)
Net realised gain	138,713	137,047

Proceeds received includes £2,857,000 (2021: £31,439,000) of recycled investment retained on exits completed in the year.

Notes to the financial statements continued
For the year ended 31 December 2022

9. Taxation

a. Analysis of tax charge in the period

	2022 £'000	2021 £'000
UK corporation tax	2	8,289
Adjustment in respect of prior periods	(445)	(351)
Origination and reversal of timing differences	(4,333)	12,928
Impact of changes in statutory tax rate	(1,378)	(3,076)
Tax (credit)/charge for the period (Note 9(b))	(6,154)	17,790

b. Factors affecting the tax charge for the period

	2022 £'000	2021 £'000
(Loss)/Profit on ordinary activities before taxation	(43,566)	404,322
Corporation tax at 19.00% (2021: 19.00%)	(8,278)	76,821
Effect of:		
Income and gains not taxable for tax purposes	(27,671)	(30,380)
Expenses not deductible for tax purposes	1,744	1,421
Fixed assets differences	19	(11)
Disallowable/(non-taxable) investment impairment	28,990	(36,337)
Excess management expenses carried forward	–	2
Partnership income and gains	346	137
Chargeable (losses)/gains	(785)	6,442
Adjustments in respect of prior periods – current tax	739	(262)
Adjustments in respect of prior periods – deferred tax	–	(352)
Foreign permanent establishment exemption	(13)	(13)
Adjustments in respect of foreign taxation	30	–
Remeasurement of deferred tax for change in rates	(1,378)	33
Timing differences not recognised in the computation	103	–
Movement in deferred tax liability representing future taxable income	–	289
Tax (credit)/charge for the period (Note 9(a))	(6,154)	17,790

Factors affecting the tax charge for the year have been updated to include the total tax charge and the prior year comparative figures have been amended to conform with the current year’s presentation.

c. Deferred tax

	Balance Sheet		Income Statement	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed asset timing differences	(471)	(608)	102	(195)
Losses available for offset against future taxable income	7,257	2,344	64	(8,663)
Other short-term timing differences	(1,774)	(1,846)	3,382	(643)
Capital losses available for offset against future chargeable gains	1,033	–	785	–
Adjustments in respect of prior periods	–	–	444	–
Effect of tax rate change	–	–	1,378	–
Total deferred tax (liability)/asset	6,045	(110)	6,155	(9,501)

In Spring Budget 2021 the Government announced that from 1 April 2023 the main rate of UK corporation tax rate would increase to 25%. Since this increased rate has now been enacted into UK law, deferred tax assets/liabilities have been recognised at this rate unless they will be unwound prior to 31 March 2023.

10. Investments

Group	Equity £'000	Preference Shares £'000	Loan notes £'000	Accrued Interest £'000	Total £'000
Opening book cost	1,368,910	39,200	715,035	11,771	2,134,916
Opening unrealised surplus/(deficit)	568,475	(17,753)	(68,480)	–	482,242
Opening valuation at 1 January 2022	1,937,385	21,447	646,555	11,771	2,617,158
New investments	272,355	11,337	130,874	–	414,566
Conversions	13,721	(2,242)	(11,479)	–	–
Realisations/redemptions	(360,722)	–	(142,062)	–	(502,784)
Net movement on accrued interest	–	–	–	(1,299)	(1,299)
Valuation movement	(162,890)	(1,558)	(48,228)	–	(212,676)
Foreign exchange movement	193	16	75	–	284
Closing valuation at 31 December 2022	1,700,042	29,000	575,735	10,472	2,315,249
Represented by:					
Closing book cost	1,463,770	48,295	656,723	10,472	2,179,260
Closing unrealised surplus/(deficit)	236,272	(19,295)	(80,988)	–	135,989
Closing valuation at 31 December 2022	1,700,042	29,000	575,735	10,472	2,315,249

Notes to the financial statements continued
For the year ended 31 December 2022

10. Investments continued

During the year the Group made investments in 45 (2021: 67) new companies, 40 (2021: 39) exits were realised and nil (2021: 9) investments recognised through spin outs from existing portfolio companies, bringing the total live portfolio to 339 (2021: 334) companies.

New investments include £1,807,000 (2021: £632,000) of interest capitalised during the year, £2,857,000 (2021: £31,439,000) 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 £135,990,000 (2021: £482,242,000) consists of an unrealised loss against the value of 138 (2021: 102) investments totalling £432,793,000 (2021: £326,101,000) and an unrealised gain against 154 (2021: 182) investments totalling £568,875,000 (2021: £808,343,000).

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	2022 £'000	2021 £'000
Level 1	380,571	464,706
Level 3	1,934,678	2,152,452
Total	2,315,249	2,617,158

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 23 for sensitivity analysis due to market risk.

11. Investment in Group entities

Company	2022 £'000	2021 £'000
Investment in subsidiary undertakings	1,157,855	1,157,855
Total	1,157,855	1,157,855

12. Tangible fixed assets

Group	Leasehold improvements £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
As at 1 January 2022	10,178	1,505	1,473	13,156
Additions	58	9	157	224
Disposals	–	(68)	(307)	(375)
As at 31 December 2022	10,236	1,446	1,323	13,005
Accumulated depreciation				
As at 1 January 2022	3,337	587	1,181	5,105
Charge for the period	1,007	145	192	1,344
Released on disposal	–	(68)	(304)	(372)
As at 31 December 2022	4,344	664	1,069	6,077
Net book value				
As at 1 January 2022	6,841	918	292	8,051
As at 31 December 2022	5,892	782	254	6,928

There are no assets held under finance leases.

Notes to the financial statements continued
For the year ended 31 December 2022

13. Debtors

	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Trade debtors	4,329	–	4,112	–
Interest income receivable	89,451	–	82,123	–
Other debtors	329	–	140	–
Amounts due from Group companies	–	822,398	–	833,708
Withholding tax debtor	18,466	–	15,231	–
Prepayments & accrued income	1,655	–	671	–
Taxation	–	–	–	–
Deferred tax asset	6,045	–	–	–
Total	120,275	822,398	102,277	833,708

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

	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Interest income receivable	48,148	–	43,431	–
Withholding tax debtor	8,865	–	9,587	–
Total	57,013	–	53,018	–

The impairment loss recognised in the Group profit or loss for the period in respect of bad and doubtful trade debtors is £928,000 (2021: £922,000).

14. Creditors: amounts falling due within one year

	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Trade creditors	1,697	–	1,552	–
Taxation & social security	2,904	–	5,519	–
Pensions payable	5	–	159	–
Other	185	–	7	–
Amounts owed to Group companies	–	84	–	75
Deferred income	2,509	–	2,447	–
Accruals	19,457	–	17,051	–
Deferred tax liability	–	–	110	–
Total	26,757	84	26,845	75

15. Creditors: amounts falling due after one year

	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Opening LTIP provision	144,395	–	75,524	–
Provision made in the year	14,838	–	68,871	–
Amounts paid under the LTIP	(14,826)	–	–	–
Total	144,407	–	144,395	–

16. Provisions

	2022 £'000 Dilapidations	2022 £'000 Total
Group		
Balance at 1 January 2022	414	414
Provisions made during the year	114	114
Balance at 31 December 2022	528	528

	2021 £'000 Dilapidations	2021 £'000 Total
Group		
Balance at 1 January 2021	306	306
Provisions made during the year	108	108
Balance at 31 December 2021	414	414

17. Share capital

	2022 £'000	2021 £'000
Group and Company		
Authorised, Allotted, called-up and fully paid		
Opening balance: 1,957,129 Ordinary Shares of £1 each	1,957,129	1,957,129
Share capital reduction	(1,000,000)	–
Total	957,129	1,957,129

On 6 December 2022, the courts approved a share capital reduction of £1bn and this was registered with Companies House on 20 December 2022.

Notes to the financial statements continued
For the year ended 31 December 2022

18. Minority interest

	2022 £'000
As at 1 January 2022	114
Investment in subsidiary undertakings	8
Transferred to creditors	(122)
As at 31 December 2022	–

During the year the amount allocated to minority interest was reclassified to creditors falling due after one year.

19. Reserves

	Retained earnings £'000	Total £'000
As at 1 January 2022	795,465	795,465
Loss on ordinary activities for the year (after taxation)	(37,412)	(37,412)
Share capital reduction	1,000,000	1,000,000
Dividend paid	(30,000)	(30,000)
As at 31 December 2022	1,728,053	1,728,053

Group	Retained earnings £'000	Total £'000
As at 1 January 2021	408,932	408,932
Profit on ordinary activities for the year (after taxation)	386,533	386,533
As at 31 December 2021	795,465	795,465

Company	Retained earnings £'000	Total £'000
As at 1 January 2022	34,359	34,359
Profit on ordinary activities for the year (after taxation)	18,681	18,681
Dividend paid to Group	(30,000)	(30,000)
Share capital reduction	1,000,000	1,000,000
As at 31 December 2022	1,023,040	1,023,040

Company	Retained earnings £'000	Total £'000
As at 1 January 2021	14,724	14,724
Profit on ordinary activities for the year (after taxation)	19,635	19,635
As at 31 December 2021	34,359	34,359

On 6 December 2022, the courts approved a share capital reduction of £1bn and this was registered with Companies House on 20 December 2022. This improves the ability of BGF Group to be able to distribute dividends to shareholders.

20. Commitments

As at the 31 December 2022, the Group had capital commitments of £3,700 (2021: £18,000) in relation to software licences. Future minimum rentals payable under non-cancellable operating leases are as follows:

Group	Land and buildings	
	2022 £'000	2021 £'000
Amounts payable:		
Within one year	1,801	1,801
In two to five years	5,606	6,386
In over five years	2,026	3,018

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 2022, the Group had committed to additional funding totalling £11,808,000 (2021: £2,538,000) to 2 (2021: 1) investees, being payable subject to the achievement of various commercial milestones.

Notes to the financial statements continued
For the year ended 31 December 2022

21. 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 £796,000 (2021: £2,000) during the period. The balance on deposit at the period end was £407,956,000 (2021: £178,422,000). All transactions have been made on an arm’s length basis.

During the year, BGF Limited made capital contributions to BGF Investments LP of £55,300 (2021: £50,617) and received capital from BGF Ventures LP of £nil (2021: £13,000). 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, 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 £1,194,719,000 (2021: £1,383,739,000) and £40,069,000 (2021: £48,937,000) respectively. BGF Limited received distributions (above amounts used to repay the loans) from BGF Investments LP of £112,365,000 (2021: £nil) and from BGF Ventures LP of £7,190,000 (2021: £nil) during the year.

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 Strand Nominees Limited, a member of the same group as RBS SME Investments Limited, contributed £220,000 (2021: £69,000) towards priority profit share paid to BGF. As at the year end, one of the Directors of the Group also had an interest in Strand Nominees Limited.

During the year BGF Limited took out a revolving credit facility of £100 million with three of the Company’s shareholder banks, Lloyds, HSBC and RBS. Fees of £2,329,000 were charged on this facility in the year.

22. 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 2022 would have resulted in an increase to shareholders’ funds of £96,734,000 (2021: £107,589,000). 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.

	Total Portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	2022 £'000	2021 £'000	2022 %	2021 %	2022 Days	2021 Days
Group						
Loan stock						
– exposed to fixed interest rate risk	656,723	715,035	10.37	9.28	1,399	1,341

As at 31 December 2022, the Group has cash balances of £100,432,000 (2021: £177,370,000) held in interest bearing accounts. Interest on these deposits is variable at the UK base rate less 0.05%.

Notes to the financial statements continued
For the year ended 31 December 2022

23. 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 Groups 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.

24. 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.

As at 31 December 2022, the Group had the following credit risk exposure:

	2022 Group £’000	2021 Group £’000
Cash at bank and on hand	414,422	196,876
Loan stock	656,723	715,035
Interest, dividends and other receivables	122,711	112,317
Total	1,193,856	1,024,228

The cash of the Group is held by; Barclays Bank plc (£407,956,000), Bank of Ireland (£51,000), custodian (£5,307,000). As at 31 December 2022, £1,108,000 (2021: £12,400,000) 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.

25. 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.

26. Subsequent events

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

Notes to the financial statements continued
For the year ended 31 December 2022

27. 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 2022 and the percentage of equity capital are set out below.

	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
BGF UKEF GP Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1
BGF UKEF 2 GP Ltd	13-15 York Buildings, London, WC2N 6JU	Direct	Ordinary	1	100	1
BGF Smaller Companies Impact Fund Limited	13-15 York Buildings, London, WC2N 6JU	Indirect	Ordinary	20,000,001	100	20,000,001

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

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 Group Plc at the end of the year are set out below.

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
A Wilderness Way Group Limited	12664540	Stoneybeck Bowscar, Penrith, Cumbria, CA11 8RP	Indirect	A1 Ordinary Shares of £1 each	2,414,773	97%
Aceleron Limited	10344567	Leask House Hanbury Road, Stoke Prior, Bromsgrove, England, B60 4JZ	Indirect	A1 Ordinary Shares of £0.000002 each	800,454	72%
Aceleron Limited	10344567	Leask House Hanbury Road, Stoke Prior, Bromsgrove, England, B60 4JZ	Indirect	A2 Ordinary Shares of £0.000002 each	593,657	42%
Action Integrated Security Services (AISS) Limited	IE574012	Unit C1, Three Rock Road, Sandyford Business Park, Dublin 18, D18 N9P6	Indirect	A Ordinary Shares of €0.01 each	850,476	34%
ADW ARC Group Holdings Limited	13447035	Unit E1 Fort Wallington Industrial Estate, Military Road, Fareham, England, PO16 8TT	Indirect	A Ordinary Shares of £0.01 each	352,954	92%
AFG Media Ltd	SC323753	Ground Floor The Tun, 6-8 Jackson's Entry, Edinburgh, Scotland, EH8 8PJ	Indirect	A Ordinary Shares of £0.000005 each	16,157	100%
Agile Spray Response Limited	10554632	c/o Milsted Langdon Llp, New Broad Street House, London, Nottinghamshire, EC2M 1NH	Indirect	A Ordinary Shares of £0.00001 each	400	100%
Alliance Transport Technologies Ltd	10955739	Alliance Electronics Ltd, The Arc, Chesterfield, England, S43 4JY	Indirect	A Ordinary Shares of £0.10 each	175	88%
Alpha Development Group Ltd	13007389	Level 30, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB	Indirect	A Ordinary Shares of £0.01 each	70,259	87%
Amdaris Group Limited	10485133	Aurora Studio A, Counterslip, Bristol, Avon, BS1 6BX	Indirect	B Ordinary Shares of £0.01 each	30,000	100%
ANDigital Ltd	08761455	3 Concorde Park, Concorde Road, Maidenhead, Berkshire, England, SL6 4BY	Indirect	B Ordinary Shares of £0.01 each	1,812,933	100%
Anstey Horne & Co Limited	05543524	4 Chiswell St, London, London, EC1Y 4UP	Indirect	A Ordinary Shares of £1 each	2,540	100%
Anstey Horne & Co Limited	05543524	4 Chiswell St, London, London, EC1Y 4UP	Indirect	Deferred Shares of £1 each	987	100%
Antser Holdings Limited	11630120	Vicarage Court 4 Vicarage Road, Edgbaston, Birmingham, England, B15 3ES	Indirect	A1 Ordinary Shares of £0.001 each	2,775	92%
Apex New Holdco Limited	14159418	332 Ladbroke Grove, London, England, W10 5AD	Indirect	A Ordinary Shares of £0.01 each	390	100%
Appnovation Technologies Holdings Corp	British Columbia Business	10 John Street, London, WC1N 2EB	Indirect	Class B Preferred Shares of \$0.9956 each	5,022,097	100%
Appnovation Technologies Holdings Corp	British Columbia Business	10 John Street, London, WC1N 2EB	Indirect	Class E Preferred Shares of \$1.28 each	429,688	100%
Apprentify Group Ltd	11448437	Glasshouse, Alderley Park, Nether Alderley, Cheshire, England, SK10 4TG	Indirect	A Ordinary Shares of £0.00001 each	44,694	87%
Arborea Ltd	09468987	Translation & Innovation Hub, 84 Wood Lane, London, England, W12 0BZ	Indirect	A Ordinary Shares of £0.0001 each	341,880	61%
Arc Inspirations Limited	03883505	5th Floor White Rose House, 8 Otley Road, Leeds, England, LS6 2AD	Indirect	A1 Ordinary Shares of £0.90 each	26,352	93%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Arc Inspirations Limited	03883505	5th Floor White Rose House, 8 Otley Road, Leeds, England, LS6 2AD	Indirect	Preference Shares of £1 each	3,281,102	93%
Art-Line Limited	01799472	Trading As Cass Art, 66-67 Colebrooke Row, Islington, London, N1 8AB	Indirect	A Ordinary Shares of £0.000001 each	1,594,690	100%
Aubren Limited	IE324861	Portlaoise Business And Technology, Mountrath Road, Portlaoise Co Laois, D04 ED73	Indirect	A Ordinary Shares of €1 each	48,618	34%
Bambino Mio Limited	03364441	12 Staveley Way, Brixworth Industrial, Brixworth, Northampton, Northamptonshire, NN6 9EU	Indirect	A Ordinary Shares of £1 each	3,681	94%
Bayfields Group Limited	08355043	The Fold Home Farm, The Avenue, Esholt, Shipley, West Yorkshire, BD17 7RH	Indirect	A Ordinary Shares of £0.01 each	2,400	100%
BB7 Group Limited	11755757	The Old Surgery The Historic Dockyard, Chatham, Kent, United Kingdom, ME4 4TZ	Indirect	A Ordinary Shares of £0.01 each	2,150	100%
BCC Risk Advisory Ltd	IE497804	Unit 701, Northwest Business Park, Ballycoolin Road Dublin 15, Dublin 15, Dublin, Ireland	Indirect	A Ordinary Shares of €1 each	1,243	34%
BCC Risk Advisory Ltd	IE497804	Unit 701, Northwest Business Park, Ballycoolin Road Dublin 15, Dublin, Ireland	Indirect	A Ordinary Shares of €0.0001 each	80	34%
Bella & Duke Limited	SC547789	Citypoint, 3rd Floor, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD	Indirect	AA Ordinary Shares of £0.01 each	389,103	71%
BF1 Solutions Limited	11377708	Technical Centre Owen Road, Diss, Norfolk, IP22 4ER	Indirect	A Ordinary Shares of £0.01 each	19,092	100%
Blue I Holdings Ltd	14468564	8 Whitehall Cross, Leeds, England, LS12 5XE	Indirect	A Ordinary Shares of £0.01 each	2,814	92%
Bob & Berts Group Ltd	NI647110	Keith Dinsmore Accountants, 15 Duke Street, Ballymena, County Antrim, United Kingdom, BT43 6BL	Indirect	A Ordinary Shares of £1 each	2,346	100%
Bramble Energy Limited	09891877	6 Satellite Business Village, Fleming Way, Crawley, London, RH10 9NE	Indirect	A Ordinary shares of £0.001 each	32,930	25%
Brisant Secure Limited	07880349	Units 2 And 3 Staincliffe Mill Trade Centre, Halifax Road, Staincliffe, Dewsbury, England, WF13 4AR	Indirect	A Ordinary Shares of £0.01 each	6,546	100%
Broadband Satellite Services Limited	08203105	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	A Ordinary Shares of £1 each	21,891	100%
Broadband Satellite Services Limited	08203105	Satcom Global, Tanners Bank, North Shields, NE30 1JH	Indirect	C Ordinary Shares of £1 each	9,971	100%
Burrington Estates (Commercial Developments) Limited	12919636	Winslade House Manor Drive, Clyst St Mary, Exeter, Devon, United Kingdom, EX5 1FY	Indirect	A Ordinary Shares of £1 each	2	100%
Burrington Estates New Topco Limited	07776551	Winslade House Manor Drive, Clyst St Mary, Exeter, Devon, United Kingdom, EX5 1FY	Indirect	F Ordinary Shares of £0.0001 each	3,333,333	100%
Business Support Experts Limited	14039921	Suite 10 Kings Court, Railway Street, Altrincham, United Kingdom, WA14 2RD	Indirect	A Ordinary Shares of £1 each	432,648	87%
Buy It Direct Ltd	04171412	Unit A Trident Business Park, Leeds Road, Huddersfield, West Yorkshire, HD2 1UA	Indirect	A Ordinary Shares of £0.01 each	17,920	100%
Cambridge Energy Partners Ltd	09391307	Wellington House, East Road, Cambridge, England, CB1 1BH	Indirect	A Ordinary Shares of £0.0003 each	942	54%
Cambridge GAN Devices Limited	10430656	Jeffreys Building, Suite 8 St Johns Innovation Park, Cowley Road, Cambridge, England, CB4 0DS	Indirect	A Ordinary Shares of £0.0001 each	1,066,623	23%
Cambridge Respiratory Innovations Limited	08500211	4 Office Village Forder Way, Cygnet Park Hampton, Peterborough, United Kingdom, PE7 8GX	Indirect	A Ordinary Shares of £0.0001 each	378,214	50%
Celaton Limited	02871879	Noble House, Capital Drive, Milton Keynes, Buckinghamshire, MK14 6QP	Indirect	B Ordinary Shares of £0.001 each	58,260,001	100%
Celerity Topco Limited	04475496	11 St George's Court, St. Georges Park, Kirkham, Preston, England, PR4 2EF	Indirect	A Ordinary Shares of £0.01 each	288,854	91%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Cheesecake Energy Limited	10317962	The Ingenuity Centre, Triumph Road, Nottingham, England, NG7 2TU	Indirect	A Ordinary Shares of £0.001 each	426,442	88%
Chiaro Technology Limited	08502405	63-66 Hatton Garden, Second Floor, London, United Kingdom, EC1N 8LE	Indirect	C Ordinary Shares of £0.01 each	3,871,653	30%
Christopher Ward (London) Holdings Ltd	09076361	1 Park Street, Maidenhead, Berkshire, SL6 1SL	Indirect	A Ordinary Shares of £1 each	550	100%
Circul8 Limited	NI654505	56 Craigmore Road Garvagh, Coleraine, United Kingdom, BT51 5HF	Indirect	Ordinary Shares of £0.01 each	2,684	45%
Cirrus Response Group Limited	08700358	Kirkgate 19-31 Church Street, Epsom, Surry, Epsom, London, KT17 4PF	Indirect	A Ordinary Shares of £1 each	6,500,000	100%
Clarke Trade Holdco Limited	NI689761	132a Raceview Road, Ballymena, Antrim, BT42 4HY	Indirect	A1 Ordinary Shares of £1 each	2,652,793	89%
Closed Loop Medicine Ltd	10584642	Babraham Research Campus, Babraham, Cambridgeshire, CB22 3AT	Indirect	Ordinary Shares of £0.001 each	16,382	28%
Cobra Holdco Limited	03749987	2-3 Golden Square, London, England, W1F 9HR	Indirect	A Ordinary Shares of £0.01 each	56,635	100%
Crepeaffaire Holdings Limited	11061207	C/O Mha Macintyre Hudson, Building 4 Foundation Park, Roxborough Way, Maidenhead, England, SL6 3UD	Indirect	A Ordinary Shares of £0.01 each	1,281,440	100%
Croom Precision Tooling Limited	IE103614	Garranroe, Patrickswell, Limerick	Indirect	A Ordinary Shares of €0.0125 each	15,033	34%
Crypto Quantique Ltd	10267904	The Print Rooms, Unit 304-5, 164-180 Union Street, London, England, SE1 0LH	Indirect	A Ordinary Shares of £0.00001 each	4,855,556	36%
CS Law Limited	11800382	1330 Montpellier Court, Gloucester Business Park, Gloucester, United Kingdom, GL3 4AH	Indirect	A Ordinary Shares of £1 each	10,000	100%
Custom Materials Ltd	09185258	6th Floor One London Wall, London, United Kingdom, EC2Y 5EB	Indirect	B3 Ordinary Shares of £0.0001 each	25,109	45%
Cyted Ltd	11478299	22 Station Road, Cambridge, United Kingdom, CB1 2JD	Indirect	Series A1 Shares of £0.001 each	936,937	40%
Datum360 Holdco Limited	SC354270	Flat B, 6 Princes Street, Inverurie, Aberdeenshire, AB51 4TA	Indirect	A Ordinary Shares of £0.000333 each	695,670	100%
Desana Network Limited	SC527495	14 Albany Street, Edinburgh, Scotland, EH1 3QB	Indirect	Series Seed Shares of £0.00001	13,888	34%
Dolphin Homes (Holdings) Limited	07221367	3000A Parkway, Whiteley, Hampshire, United Kingdom, PO15 7FX	Indirect	A Ordinary Shares of £1 each	4,675	100%
DPB Meats Limited	IE468137	Unit 1 Forest Road, Swords, Dublin, K67 NH57	Indirect	A Ordinary Shares of €0.01 each	3,146	34%
DriveWorks Group Limited	04716162	The Barley Store, Laskey Farm Laskey Lane, Thelwall, Cheshire, WA4 2TF	Indirect	A Ordinary Shares of £0.01 each	30,000	100%
E2E-Group Limited	08732893	The Old Chapel, Union Way, Witney, Oxfordshire, OX28 6HD	Indirect	A Ordinary Shares of £0.01 each	24,760	100%
East Sussex Press Limited	02872719	Beacon House, Brambleside, Uckfield, East Sussex, TN22 1PL	Indirect	A Ordinary Shares of £0.01 each	390,000	100%
EBS Aftermarket Group Limited	06565929	Unit 3, Westpoint Enterprise Park, Clarence Avenue, Trafford Park, Manchester, M17 1QS	Indirect	A Ordinary Shares of £1 each	9,443	100%
EEL Holdings Ltd	10385520	Unit 3 Arlington Court Cannel Row, Silverdale, Newcastle-Under-Lyme, Staffordshire, United Kingdom, ST5 6SS	Indirect	A Ordinary Shares of £0.01 each	11,224	100%
Elasmogen Ltd	SC467513	Liberty Building, Foresterhill, Aberdeen, AB25 2ZP	Indirect	A Ordinary Shares of £0.00001 each	463,650	44%
Elements Talent Consultancy Limited	06981002	4th Floor 32 Jamestown Road, London, United Kingdom, NW1 7BY	Indirect	A Ordinary Shares of £0.004 each	375,250	95%
Enhanc3d Genomics Ltd	12423696	Babraham Institute Building 570, Babraham Research Campus, Cambridge, United Kingdom, CB22 3AT	Indirect	A Ordinary Shares of £0.000001	785,978	37%
Entia Limited	09283492	52 Princes Gate, Exhibition Road, London, SW7 2PG	Indirect	A Ordinary Shares of £0.0001 each	112,328	47%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Entier Ltd	SC342922	The Olive House Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire, Scotland, AB32 6UF	Indirect	A1 Ordinary Shares of £1 each	181,759	100%
EVGH Limited	07397371	Kestrel Court Waterwells Drive, Quedgeley, Gloucester, England, GL2 2AT	Indirect	A Ordinary Shares of £0.01 each	530,210	100%
EVGH Limited	07397371	Kestrel Court Waterwells Drive, Quedgeley, Gloucester, England, GL2 2AT	Indirect	Deferred Ordinary Shares of £0.01 each	52,490,790	33%
EVGH Limited	07397371	Kestrel Court Waterwells Drive, Quedgeley, Gloucester, England, GL2 2AT	Indirect	Ordinary Shares of £0.01 each	1,861,018	25%
Evo Holdco Limited	10975667	Units 5-8 Paramount Business Park, Wilson Road, Liverpool, England, L36 6AW	Indirect	A Ordinary Shares of £1 each	42,999	100%
Evo Holdco Limited	10975667	Units 5-8 Paramount Business Park, Wilson Road, Liverpool, England, L36 6AW	Indirect	A2 Ordinary Shares of £0.001 each	1,469,000	100%
Evoke Creative (Holdings) Limited	10767102	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%
Evoke Creative (Holdings) Limited	10767102	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%
FCG Worldwide Limited	09647432	The Hickman Building, 2 Whitechapel Road, London, England, E1 1FX	Indirect	A Ordinary Shares of £0.01 each	31,101	100%
Fig Power Holdings Limited	14183979	Over Court Barns Over Lane, Almondsbury, Bristol, United Kingdom, BS32 4DF	Indirect	A Ordinary Shares of £0.01 each	29,673	100%
Firefly Learning Ltd	10115230	20 St. Thomas Street, London, England, SE1 9RS	Indirect	A Ordinary Shares of £0.0001 each	213,542	68%
Firefly Learning Ltd	10115230	20 St. Thomas Street, London, England, SE1 9RS	Indirect	C Ordinary Shares of £0.0001 each	78,952	27%
Flowline Limited	02619447	Rawreth Industrial Estate, Rawreth Lane, Rayleigh, Essex, United Kingdom, SS6 9RL	Indirect	A Ordinary Shares of £1 each	15,448	100%
Fluidic Analytics Limited	8737738	Unit A The Paddocks Business Centre, Cherry Hinton Road, Cambridge, United Kingdom, CB1 8DH	Indirect	Series B Shares of £0.01 each	135,684	20%
Fluidic Analytics Limited	8737738	Unit A The Paddocks Business Centre, Cherry Hinton Road, Cambridge, United Kingdom, CB1 8DH	Indirect	Series C Shares of £0.01 each	305,081	26%
FOD Mobility Group Limited	10549020	3rd Floor, The Waterfront Building, Salts Mill Road, Shipley, England, BD17 7EZ	Indirect	A Ordinary Shares of £0.001 each	29,418	100%
FOD Mobility Group Limited	10549020	3rd Floor, The Waterfront Building, Salts Mill Road, Shipley, England, BD17 7EZ	Indirect	F Ordinary Shares of £0.001 each	3,173	100%
FOD Mobility Group Limited	10549020	3rd Floor, The Waterfront Building, Salts Mill Road, Shipley, England, BD17 7EZ	Indirect	G1 Ordinary Shares of £0.001 each	3,095	100%
Frontrow Energy Technology Group Limited	SC549911	Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, Scotland, AB10 1DQ	Indirect	A Ordinary Shares of £0.000285714285714 each	3,500,000	100%
Fulfilmentcrowd Holdings Limited	12065559	Western Avenue, Matrix Park, Chorley, Lancashire, England, PR7 7NB	Indirect	A Ordinary Shares of £1 each	3,129	100%
Fun Brands Group Limited	13197950	Unit 5 Celtic Trade Park, Bruce Road, Fforestfach, Swansea, United Kingdom, SA5 4EP	Indirect	A Ordinary Shares of £0.001 each	21,554	92%
Gaist Holdings Limited	09985703	Unit 5 Ghyll Way, Airedale Business Centre, Skipton, North Yorkshire, England, BD23 2TZ	Indirect	A Ordinary Shares of £0.01 each	6,263	100%
Galway Natural Health Sales Company Limited	IE491750	Unit 6A, Liosban Business Park, Tuam Road, Galway, H91 A322	Indirect	A Ordinary Shares of €0.001	12,824	34%
Garrison Technology Limited	09286531	117 Waterloo Road, London, England, SE1 8UL	Indirect	A2 Preferred Ordinary Shares of £0.000025 each	894,855	34%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Gaussian Ltd	13474140	64 New Cavendish Street, London, England, W1G 8TB	Indirect	A Ordinary Shares of £0.00001	367,134	54%
Genflow Universe Limited	13003817	Units 1a and 1b, 1st Floor, 6 Orsman Road, London, England, N1 5RA	Indirect	A Ordinary Shares of £0.10 each	358,870	100%
Giggling Restaurants Ltd	07094305	1 Bishops Wharf, Walnut Tree Close, Guildford, Surrey, GU1 4UP	Indirect	A Ordinary Shares of £0.00002 each	29,910	100%
Gymbox Holdco Ltd	10212830	38 New Kent Road, London, England, SE1 6TJ	Indirect	A Ordinary Shares of £1 each	26,102	100%
Gymbox Holdco Ltd	10212830	38 New Kent Road, London, England, SE1 6TJ	Indirect	A Preference Shares of £0.0001 each	24,803,384	100%
Harnham Group Limited	09899731	3rd Floor, Melbury House, 51 Wimbledon Hill Road, Wimbledon, London, England, SW19 7QW	Indirect	A Ordinary Shares of £0.001	3,065	100%
Healthshare Limited	06896144	Suite 9 20 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU	Indirect	A Ordinary Shares of £0.001 each	25,370	100%
Helio Display Materials Ltd	10498672	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	Indirect	A Ordinary Shares of £0.01 each	1,819	47%
Hicomply Ltd	12364000	Portland House, Belmont Business Park, Durham, United Kingdom, DH1 1TW	Indirect	A Ordinary Shares of £0.01 each	21,308	92%
Hobs Group Ltd	12712449	Lower Ground Floor, 3 Temple Lane, Liverpool, United Kingdom, L2 5BA	Indirect	A Ordinary Shares of £0.01 each	400,000	100%
Holding EB Company Ltd	12502965	Bedford House, 69-79 Fulham High Street, London, Oxfordshire, SW6 3JW	Indirect	A Ordinary Shares of £0.01 each	27,058	100%
Horbury Group Ltd	06217640	South Grove House, South Grove, Rotherham, South Yorkshire, S60 2AF	Indirect	A Ordinary Shares of £1 each	3,842	100%
Hydrock Holdings Limited	11000495	Over Court Barns Over Lane, Almondsbury, Bristol, United Kingdom, BS32 4DF	Indirect	A Ordinary Preference Shares of £0.01 each	1,516,938	100%
Hydrock Holdings Limited	11000495	Over Court Barns Over Lane, Almondsbury, Bristol, United Kingdom, BS32 4DF	Indirect	A1 Ordinary Shares of £1 each	3,062	100%
IFA Group Limited	11158850	Victoria Forge, Livesey Street, Sheffield, United Kingdom, S6 2BL	Indirect	A Ordinary Shares of £0.001 each	241,100	100%
Invenio Business Solutions Holdings Ltd	11807481	125 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5RB	Indirect	A Ordinary Shares of £0.10 each	134,404	100%
IQ Endoscopes Ltd	09462661	Basepoint Business Centre Unit 32 Riverside Court, Beaufort Park Way, Chepstow, Wales, NP16 5UH	Indirect	A1 Preferred Shares of £0.01 each	998,771	58%
Isol8 (Holdings) Limited	SC565933	Johnstone House, 52-54 Rose Street, Aberdeen, United Kingdom, AB10 1HA	Indirect	A Ordinary Shares of £1.00 each	5,134	92%
ITD Global Topco Limited	14278093	Itld Global, Unit A Birch Industrial Estate, Whittle Lane, Heywood, England, OL10 2SX	Indirect	A Ordinary Shares of £1 each	236,792	96%
Joe's Gourmet Foods Ltd	07399608	33 Broomhill Road, Woodford Green, Essex, IG8 9HD	Indirect	A Ordinary Shares of £0.01 each	173,804	100%
Johnsons Aggregate and Recycling Limited	04366658	Johnsons Recycling Centre Crompton Road, Off Merlin Way, Ilkeston, Derbyshire, England, DE7 4BG	Indirect	A Ordinary Shares of £0.01 each	5,198	100%
Joloda Hydraroll Group Limited	12021217	1 De Havilland Drive, Speke, Liverpool, Merseyside, England, L24 8RN	Indirect	A Ordinary Shares of £1 each	1,973,333	99%
Juriba Ltd	06462462	83 Victoria Street, London, England, SW1H 0HW	Indirect	A1 Ordinary Shares of £0.01 each	175,812	100%
Juriba Ltd	06462462	83 Victoria Street, London, England, SW1H 0HW	Indirect	A2 Ordinary Shares of £0.01 each	219,765	100%
Just Digital Limited	04954829	Kingfisher Way, Hinchingsbrooke Business Park, Huntingdon, Cambridgeshire, PE29 6FN	Indirect	A Ordinary Shares of £1 each	8,000	100%
Keenan Recycling Ltd	SC254053	6 & 7 Queens Terrace, Aberdeen, Scotland, AB10 1XL	Indirect	A Ordinary Shares of £0.01 each	4,590	100%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Keenan Recycling Ltd	SC254053	6 & 7 Queens Terrace, Aberdeen, Scotland, AB10 1XL	Indirect	A1 Ordinary Shares of £0.01 each	1,529	100%
Kick ICT Limited	SC449255	Solais House 19 Phoenix Crescent, Strathclyde Business Park, Bellshill, Scotland, ML4 3NJ	Indirect	A Ordinary Shares of £1 each	41,073	87%
Kinomica Limited	10405843	Biohub Alderley Park, Alderley Edge, Macclesfield, Cheshire, England, SK10 4TG	Indirect	B Ordinary Shares of £0.00001 each	260,313	40%
Kocho Group Holdings Limited	13168305	Waverley House 4th Floor, 7-12 Noel Street, London, Westminster, United Kingdom, W1F 8GQ	Indirect	A Ordinary Shares of £1 each	39,519	100%
Komi Holdings Ltd	14440395	2d Beehive Mill, Jersey Street, Manchester, United Kingdom, M4 6JG	Indirect	A Ordinary Shares of £1 each	23,212	89%
Komi Holdings Ltd	14440395	2d Beehive Mill, Jersey Street, Manchester, United Kingdom, M4 6JG	Indirect	A Preference Shares of £0.01 each	869,539	89%
KYND Ltd	10943213	Unit 3-4 The Grain Store, 70 Weston Street, London, United Kingdom, SE1 3QH	Indirect	A Ordinary Shares of £0.01 each	17,043	57%
Light Topco Ltd	Guernsey 70082	Ground Floor, Cambridge House, St Peter Port, GY1 1WD	Indirect	A1 Ordinary Shares of £0.001 each	891,289	49%
Locate Bio Limited	04202562	Medicity Thane Road, Beeston, Nottingham, NG90 6BH	Indirect	B1 Ordinary Shares of £0.000001 each	2,769,883	23%
Lota View Holdings Ltd	IE546875	Ashgrove Works, Kill Avenue, Dun Laoghaire Co. Dublin, Dun Laoghaire, Dublin, Ireland	Indirect	A Ordinary Shares of €1 each	47	34%
LoveCrafts Group Limited	07193527	Aviation House, 125 Kingsway, London, England, WC2B 6NH	Indirect	D Shares of £0.01 each	70,213	27%
M Squared Technologies Group Limited	SC675779	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%
Machine Discovery Ltd	11976635	John Eccles House Robert Robinson Avenue, Oxford Science Park, Oxford, England, OX4 4GP	Indirect	A Ordinary Shares of £0.00001 each	104,821	32%
Maestro Media Limited	11996244	10 Kelham Gardens, Marlborough, England, SN8 1PW	Indirect	C Ordinary Shares of £0.01 each	1,336,633	80%
Magmatic Limited	04669286	Saffery Champness LLP 4th Floor St Catherine’s Court, Berkeley Place, Clifton, Bristol, England, BS8 1BQ	Indirect	A Ordinary Shares of £0.01 each	42,317	100%
Makers Academy Ltd	08253870	Unit 2f Zetland House, 5-25 Scrutton St, London, England, EC2A 4HJ	Indirect	A1 Ordinary Shares of £0.00001 each	369,349	89%
Marvel Prototyping Limited	08625398	International House, 64 Nile Street, London, England, N1 7SR	Indirect	A Ordinary Shares of £0.001 each	40,660	54%
Marvel Prototyping Limited	08625398	International House, 64 Nile Street, London, England, N1 7SR	Indirect	A2 Ordinary Shares of £0.001 each	1,537	33%
Media Based Attractions Limited	09526725	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	A Ordinary Shares of £0.01 each	371,739	100%
Media Based Attractions Limited	09526725	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	Deferred Shares of £0.01 each	3,078,000	34%
Media Based Attractions Limited	09526725	37 Second Avenue, The Pensnett Estate, Kingswinford, West Midlands, United Kingdom, DY6 7UL	Indirect	E Ordinary Shares of £0.00001 each	3,256	66%
Media Zoo Holdings Limited	09684955	B1 The Boulevard, Imperial Wharf, London, United Kingdom, SW6 2UB	Indirect	A Ordinary Shares of £0.01 each	3,407	95%
Medigold Health Consultancy Ltd	03507491	Medigold House, Queensbridge, Northampton, NN4 7BF	Indirect	A Ordinary Shares of £1 each	5,812	100%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Medigold Health Consultancy Ltd	03507491	Medigold House, Queensbridge, Northampton, NN4 7BF	Indirect	A1 Ordinary Shares of £1 each	5,445	96%
M-Flow Technologies Limited	07599502	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M Ordinary Shares of £1 each	6,163	31%
M-Flow Technologies Limited	07599502	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M1 Ordinary Shares of £1 each	2,414	21%
M-Flow Technologies Limited	07599502	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M2 Ordinary Shares of £1 each	11,329	25%
M-Flow Technologies Limited	07599502	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M3 Ordinary Shares of £1 each	80,375	35%
MIME Technologies Limited	SC509452	Solasta House, 8 Inverness Campus, Inverness, Scotland, IV2 5NA	Indirect	A1 Ordinary Shares of £0.001 each	11,660	100%
M-Flow Technologies Limited	07599502	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	Indirect	M6 Ordinary Shares of £0.01 each	138,511	100%
MIP Diagnostics Limited	09484417	The Exchange Colworth Park, Sharnbrook, Bedford, Bedfordshire, MK44 1LQ	Indirect	C Ordinary Shares of £0.01 each	12,322	23%
Mission Mars Limited	09392603	8 Hewitt Street, Manchester, United Kingdom, M15 4GB	Indirect	B Ordinary Shares of £0.0001 each	1,098,826	95%
Molson Group Ltd	06378350	Unit 4, Smoke Lane Industrial Estate, Smoke Lane, Bristol, Avon, BS11 0YA	Indirect	A1 Ordinary Shares of £0.0001 each	72,037	100%
Molson Group Ltd	06378350	Unit 4, Smoke Lane Industrial Estate, Smoke Lane, Bristol, Avon, BS11 0YA	Indirect	A Ordinary Shares of £0.0001 each	81,414	100%
Monodraught Topco Ltd	10813953	Halifax House Halifax Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3SE	Indirect	A Ordinary Shares of £1 each	39,998	100%
Mortgage and Surveying Services Limited	06055271	3-4 Regan Way, Chetwynd Business Park Chilwell, Nottingham, NG9 6RZ	Indirect	A Ordinary Shares of £1 each	529,159	100%
Moulded Foams (Scotland) Ltd	SC311076	1 Wardpark Road, Wardpark South, Cumbernauld, North Lanarkshire, G67 3EX	Indirect	A Ordinary Shares of £1 each	13,597	98%
MRM Global Limited	SC221952	1 Lochrin Square, 92-94 Fountainbridge, Edinburgh, Scotland, EH3 9QA	Indirect	AA Ordinary Shares of £0.01 each	1,207	100%
Musclefood Group Ltd	13881890	23-25 Park Lane Business Park, Park Lane, Old Basford, Nottingham, England, NG6 0DW	Indirect	A Ordinary Shares of £0.01 each	8,000	100%
Myzone Holdings Limited	09634208	Uwm House, 6 Fusion Court, Leeds, West Yorkshire, United Kingdom, LS25 2GH	Indirect	A Ordinary Shares of £0.01 each	1,249	88%
Mzuri Group Limited	NI656278	1 Ferguson Drive, Lisburn, County Antrim, BT28 2FL	Indirect	A Ordinary Shares of £1 each	2,019	99%
Mzuri Group Limited	NI656278	1 Ferguson Drive, Lisburn, County Antrim, BT28 2FL	Indirect	A2 Ordinary Shares of £1 each	515	99%
NBP Group Limited	07231238	2a-2b Elland Road Industrial Park, Elland Way, Leeds, LS11 0EY	Indirect	A Ordinary Shares of £1 each	3,500	100%
Nonwovenn Limited	10052668	Bff Business Park, Bath Road, Bridgwater, Somerset, United Kingdom, TA6 4NZ	Indirect	C Ordinary Shares of £0.001 each	25,625	100%
Nossa Data Ltd	12651742	First Floor, 85 Great Portland Street, London, Greater London, W1W 7LT	Indirect	A Ordinary Shares of £0.001 each	17,171	23%
Ocee International Limited	10049313	Design House Caswell Road, Brackmills Industrial Estate, Northampton, Northamptonshire, NN4 7PW	Indirect	A Ordinary Shares of £1 each	4,419	100%
Odro Ltd	SC415532	2nd Floor, Doges Building, 62 Templeton Street, Glasgow, Scotland, G40 1DA	Indirect	A Ordinary Shares of £0.01 each	1,626,000	100%
Off-Piste Brands Ltd	12356567	Formal House, 60 St Georges Place, Cheltenham, England, GL50 3PN	Indirect	A1 Ordinary Shares of £0.01 each	7,310	100%
Off-Piste Brands Ltd	12356567	Formal House, 60 St Georges Place, Cheltenham, England, GL50 3PN	Indirect	A2 Ordinary Shares of £0.01 each	52,190	100%
Oliver Grace Limited	09422776	Borough House Berkeley Court, Borough Road, Newcastle Under Lyme, United Kingdom, ST5 1TT	Indirect	A Ordinary Shares of £1 each	488	100%
Oliver Sweeney Group Limited	12554709	Block B Imperial Works, Perren Street, London, United Kingdom, NW5 3ED	Indirect	A Ordinary Shares of £0.001 each	39,966	100%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Open Cosmos Ltd	09704443	Electron Building Fermi Avenue, Harwell Oxford, Didcot, England, OX11 0QR	Indirect	A1 Ordinary Shares of £0.001 each	24,650	77%
Operam Education Group Limited	10923543	3 Morston Claycliffe Office Park, Whaley Road, Barnsley, England, S75 1HQ	Indirect	A Ordinary Shares of £0.01 each	8,000	100%
Optima Partners Limited	SC443891	Azets Exchange Place 3, Semple Street, Edinburgh, Midlothian, Scotland, EH3 8BL	Indirect	A Ordinary Shares of £1 each	248	94%
Orbital Education Limited	06483814	Landmark House Station Road, Cheadle Hulme, Cheadle, England, SK8 7BS	Indirect	A Ordinary Shares of £0.001 each	94,982	99%
Orbital Express Launch Limited	09580714	1st Floor One Suffolk Way, Sevenoaks, Kent, England, TN13 1YL	Indirect	B Ordinary Shares of £0.0001 each	1,213,333	42%
OSL Group Limited	07196015	Sunnyside Farm Reading Road, Padworth Common, Reading, RG7 4QN	Indirect	C Ordinary Shares of £1 each	1,304,061	87%
Ostoform Limited	IE591479	Block A, Marlinstown Office Park, Mullingar Co. Westmeath, Mullingar, Westmeath, N91W5Nn, Ireland	Indirect	Series A Preferred Shares of €0.0001 each	10,098	25%
P2U Holdings Limited	11231760	Lumina Park Approach, Thorpe Park, Leeds, England, LS15 8GB	Indirect	A3 Ordinary Shares of £0.01 each	105,336	42%
Paddle.com Market Limited	08172165	Judd House, 18-29 Mora Street, London, England, EC1V 8BT	Indirect	A2 Ordinary Shares of £0.01 each	1,891,800	59%
Paintbox Group Limited	06402509	14A Wildmere Road, Banbury, West Midlands, OX16 3JU	Indirect	A Ordinary Shares of £0.01 each	225,319	100%
Panthera Biopartners Limited	11709548	228 Garstang Road, Preston, Lancashire, United Kingdom, PR2 9RB	Indirect	A1 Ordinary Shares of £0.0001 each	4,398	44%
Panthera Biopartners Limited	11709548	228 Garstang Road, Preston, Lancashire, United Kingdom, PR2 9RB	Indirect	A1 Preferred Shares of £0.0001 each	4,398	44%
Panthera Biopartners Limited	11709548	228 Garstand Road, Preston, Lancashire, United Kingdom, PR2 9RB	Indirect	Deferred Shares of £0.0001 each	32,773,444	87%
Partisan Work Limited	11885466	30 Churchill Place, (We Work, 4th Floor), London, England, E14 5RE	Indirect	A Ordinary Shares of £1 each	9,259	100%
Phico Therapeutics Ltd	04062313	Bertarelli Building Bourn Hall, High Street, Bourn, Cambridge, Cambridgeshire, CB23 2TN	Indirect	A Ordinary Shares of £0.001 each	638,696	24%
Phoremost Limited	08969798	Unit 7 The Works, Unity Campus, Pampisford, United Kingdom, CB22 3FT	Indirect	A1 Ordinary Shares of £0.001 each	55,973	26%
PJ Capital Holdings Limited	12309131	Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY	Indirect	A Ordinary Shares of £0.01 each	4,370,154	100%
PJ Group Limited	11094788	Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY	Indirect	A Ordinary Shares of £0.0001 each	5,460	100%
Planixs GRP Limited	07553139	Union House, 2/10 Albert Square, Manchester, England, M2 6LW	Indirect	B Ordinary Shares of £0.00001 each	2,916,667	100%
Plantforce Rentals Ltd	02677625	Bristol Depot, Winterstoke Road, Weston Super Mare, England, BS23 3YW	Indirect	A Ordinary Shares of £1 each	78,961	100%
Plus44 Holdings Ltd	08751708	10-12 Alie Street, London, England, E1 8DE	Indirect	A Ordinary Shares of £0.0001 each	2,250,975	99%
Polar Technology Management Group Limited	07861070	Penrose House, 67 Hightown Road, Banbury, Oxfordshire, OX16 9BE	Indirect	A Ordinary Shares of £0.10 each	5,451,600	100%
PPS Equipment Holdings Ltd	07907410	Units 8-13 Marchington Industrial Estate, Stubby Lane, Marchington, Utttoxeter, Staffordshire, ST14 8LP	Indirect	Ordinary Shares of £0.01 each	26,225	100%
Predictimmune Limited	10563794	Finsgate, 5-7 Cranwood Street, London, England, EC1V 9EE	Indirect	A Ordinary Shares of £0.01 each	451,708	39%
Prodrive Composites Ltd	07764727	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	A Ordinary Shares of £0.00001 each	35,000	100%
Prodrive Composites Ltd	07764727	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	A2 Preference Shares of £0.00001 each	1	100%
Prodrive Composites Ltd	07764727	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	B2 Preference Shares of £0.00001 each	1	100%
Prodrive Composites Ltd	07764727	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	C2 Preference Shares of £0.00001 each	1	100%

Notes to the financial statements continued

For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Prodrive Composites Ltd	07764727	Precedent Drive, Rooksley, Milton Keynes, Buckinghamshire, MK13 8PE	Indirect	D2 Preference Shares of £0.00001 each	1	100%
Project Hive Topco Limited	13894036	Charnwood Edge Business Park Syston Road, Cossington, Leicester, Leicestershire, United Kingdom, LE7 4UZ	Indirect	D Ordinary Shares of £0.01 each	205,763	100%
Purity Brewing Group Limited	11429396	The Brewery Upper Spernall Farm, Spernall Lane, Great Alne, Alcester, Warwickshire, B49 6JF	Indirect	A Ordinary Shares of £1 each	8,000	100%
Reconnaissance Ventures Limited	06041544	Rvl House, Building 21, Anson Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA	Indirect	A Ordinary Shares of £0.00001 each	13,145,560	100%
Record Sure Holdings Limited	10681501	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	A Ordinary Shares of £0.01 each	35,115	100%
Record Sure Holdings Limited	10681501	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	B Ordinary Shares of £0.01 each	32,852	80%
Record Sure Holdings Limited	10681501	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	C Ordinary Shares of £0.01 each	68,201	100%
Reiver Limited	11840386	3rd Floor One Valpy, Valpy Street, Reading, United Kingdom, RG1 1AR	Indirect	A1 Ordinary Shares of £1 each	328,000	100%
Respoke Ltd	08265501	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Indirect	D1 Ordinary Shares of £0.0001 each	586,510	70%
Respoke Ltd	08265501	9th Floor 107 Cheapside, London, United Kingdom, EC2V 6DN	Indirect	D3 Ordinary Shares of £0.0001 each	112,999	24%
Revital Holdings Limited	10806942	71-75 Shelton Street, Covent Garden, London, United Kingdom, WC2H 9JQ	Indirect	A1 Ordinary Shares of £1 each	56,467	100%
River Ridge Holdings Limited	NI640376	56 Craigmore Road Garvagh, Coleraine, United Kingdom, BT51 5HF	Indirect	A Ordinary Shares of £1 each	2,684	100%
RMS International Ltd	02915858	Grafix House 6 Boundary Road, Pendlebury, Swinton, Manchester, England, M27 4EQ	Indirect	A Ordinary Shares of £0.01 each	2,006,835	100%
Roc Transformation (Holdings) Ltd	10963005	1, Lindenmuth Way, Greenham Busines, Thatcham, RG19 6AD	Indirect	A Ordinary Shares of £0.10 each	241,300	100%
ROI Media Ltd	12305160	Squire Patton Boggs (UK) Llp Rutland House, 148 Edmund Street, Birmingham, England, B3 2JR	Indirect	A Ordinary Shares of £0.01 each	74,490	100%
ROI Media Ltd	12305160	Squire Patton Boggs (UK) Llp Rutland House, 148 Edmund Street, Birmingham, England, B3 2JR	Indirect	Preference Shares of £1 each	1,700,000	77%
Ruroc Global Holdings Limited	08997654	Unit 2 Barnett Way Barnett Way, Barnwood, Gloucester, England, GL4 3RT	Indirect	D Ordinary Shares of £0.00125 each	404,904	100%
Ruroc Global Holdings Limited	08997654	Unit 2 Barnett Way Barnett Way, Barnwood, Gloucester, England, GL4 3RT	Indirect	F Ordinary Shares of £0.00125 each	81,393	100%
Salecycle Limited	07148309	Proto Abbott's Hill, Baltic Business Quarter, Gateshead, England, NE8 3DF	Indirect	A Ordinary Shares of £0.0001 each	228,996	100%
SCA Investments Limited	08027386	Unit 1.8 & 1.9 The Shepherds Building, Charecroft Way, London, England, W14 0EE	Indirect	I Ordinary Shares of £0.001 each	121,627	21%
SCA Investments Limited	08027386	Unit 1.8 & 1.9 The Shepherds Building, Charecroft Way, London, England, W14 0EE	Indirect	K Ordinary Shares of £0.001 each	47,430	32%
SDC Group Ltd	SC478224	20 Blythswood Square, Glasgow, Scotland, G2 4BG	Indirect	A Ordinary Shares of £0.001 each	23,982	87%
SDL Group Holdings Ltd	12291986	17 Regan Way, Chetwynd Business Park, Nottingham, United Kingdom, NG9 6RZ	Indirect	A Ordinary Shares of £0.10 each	317,858	100%
Seasalt Holdings Limited	04512575	Unit 8 Falmouth Business Park, Bickland Water Road, Falmouth, Cornwall, TR11 4SZ	Indirect	D Ordinary Shares of £1 each	45,836	100%
SHG (Care Villages) Limited	9349619	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	B Ordinary Shares of £0.01 each	371,788	100%
SHG (Care Villages) Limited	9349619	2 Fusion Court, Aberford Road, Garforth, Leeds, LS25 2GH	Indirect	Preferred A Ordinary Shares of £0.01 each	164,000	100%
SLG Allstars Limited	09339824	Studio 19 The Brewery Quarter, Unit H2, High Street, Cheltenham, England, GL50 3FF	Indirect	A Ordinary Shares of £1 each	8,080	100%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Snipple Animation Studios Ltd	07170940	6th Floor, Manfield House, 1 Southampton Street, London, England, WC2R 0LR	Indirect	A1 Ordinary Shares of £0.00005 each	1,811,920	100%
Snipple Animation Studios Ltd	07170940	6th Floor, Manfield House, 1 Southampton Street, London, England, WC2R 0LR	Indirect	A2 Ordinary Shares of £0.00005 each	2,264,900	100%
Sophia Webster Limited	08691217	Zetland House, 109 -123 Clifton Street, London, England, EC2A 4LD	Indirect	B Ordinary Shares of £1 each	2,063	100%
Speedy Freight Holdings Limited	05822614	Puro House, Unit 2 The Pavilions Cranford Drive, Knutsford Business Park, Knutsford, Cheshire, United Kingdom, WA16 8ZR	Indirect	A Ordinary Shares of £0.01 each	31,144	92%
Spex Group Holdings Limited	SC528327	Blackwood House, Union Grove Lane, Aberdeen, United Kingdom, AB10 6XU	Indirect	A Ordinary Shares of £0.01 each	7,365	100%
Spex Group Holdings Limited	SC528327	Blackwood House, Union Grove, Aberdeen, United Kingdom, AB10 6XU	Indirect	A1 Ordinary Shares of £0.01 each	6,284	100%
Stark Software International Services Limited	02911704	Sentinel House, 10-12 Massetts Road, Horley, Surrey, RH6 7DE	Indirect	A1 Ordinary Shares of £0.0005	3,962,993	100%
Stark Software International Services Limited	02911704	Sentinel House, 10-12 Massetts Road, Horley, Surrey, RH6 7DE	Indirect	A2 Ordinary Shares of £0.001 each	8,579,480	98%
Stats (UK) Ltd	SC183018	5-9 Bon Accord Crescent, Aberdeen, Scotland, AB11 6DN	Indirect	A Ordinary Shares of £0.01 each	34,179	100%
Stats (UK) Ltd	SC183018	5-9 Bon Accord Crescent, Aberdeen, Scotland, AB1 6DN	Indirect	A1 Ordinary Shares of £0.01 each	9,000	100%
Stent TEK Ltd	09289469	1 Square Rigger Row, London, England, SW11 3TZ	Indirect	A Ordinary Shares of £0.0001 each	697,452	49%
Strathberry Group Limited	SC421815	34 Melville Street, Edinburgh, Scotland, EH3 7HA	Indirect	A Ordinary Shares of £0.01 each	5,913	87%
Streetbees.com Limited	09177215	10 Orange Street, West End, London, United Kingdom, WC2H 7DQ	Indirect	A2 Preferred Ordinary Shares of £0.000001 each	67,697	31%
Stripe & Stare Limited	10928406	Unit L5-L7 Yelverton Business Park, Crapstone, Yelverton, England, PL20 7PY	Indirect	A Ordinary Shares of £0.001 each	20,022	87%
T&M Topco Ltd	13383641	Thompson & Morgan Poplar Lane, Copdock, Ipswich, United Kingdom, IP8 3BU	Indirect	Preferred Ordinary Shares of £0.01 each	24,734	100%
Techspert.io Ltd	09874279	52 Burleigh Street, Cambridge, England, CB1 1DJ	Indirect	Series B Preferred Shares of £0.0001 each	128,433	63%
Tepeo Ltd	11392873	630 Wharfedale Road, Winnersh, Wokingham, England, RG41 5TP	Indirect	A1 Ordinary Shares of £0.01 each	1,202,807	38%
The Chemistry Group (Holdings) Limited	12252919	1 Paternoster Square, London, England, EC4M 7DX	Indirect	A Ordinary Shares of £1 each	530,669	100%
The Chemistry Group (Holdings) Limited	12252919	1 Paternoster Square, London, England, EC4M 7DX	Indirect	C1 Ordinary Shares of £0.01 each	504,517	38%
The Chemistry Group (Holdings) Limited	12252919	1 Paternoster Square, London, England, EC4M 7DX	Indirect	C2 Ordinary Shares	171,143	50%
The Consulting Consortium Holdings Ltd	10681135	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	A Ordinary Shares of £0.01 each	31,790	100%
The Consulting Consortium Holdings Ltd	10681135	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	B Ordinary Shares of £0.01 each	32,852	80%
The Consulting Consortium Holdings Ltd	10681135	6th Floor 10 Lower Thames Street, London, United Kingdom, EC3R 6EN	Indirect	C Ordinary Shares of £0.01 each	68,201	100%
The DB Food Group Ltd	06691900	Unit L Fulcrum Business Park, Vantage Way, Poole, Dorset, England, BH12 4NU	Indirect	A Ordinary Shares of £0.01 each	99,501	100%
The Garden Buildings Group Ltd	13383748	Mercia Garden Products Old Great North Road, Sutton-On-Trent, Newark, Nottinghamshire, United Kingdom	Indirect	Preferred Ordinary Shares of £0.01 each	24,734	100%
The Paint Shed Holdings	SC031414	Unit 8 & 9 20 Munro Road, Springkerse Industrial Estate, Stirling, Scotland, FK7 7UU	Indirect	A Ordinary Shares of £0.10 each	178	100%
The Source (Hastings) Limited	07156013	Maunsell Road, St. Leonards-On-Sea, England, TN38 9NN	Indirect	A Ordinary Shares of £0.05 each	73,866	100%
TickX Ltd	09614775	Blackfriars House, Parsonage, Mancheste, England, M3 2JA	Indirect	A Ordinary Shares of £0.002 each	40,276	100%

Notes to the financial statements continued
For the year ended 31 December 2022

27. Related undertakings continued

Company Name	Co Number	Registered Office	Holding	Class of Share	No. of Shares	BGF % of class of shares
Tiger Time Holdings Limited	IE661112	College Business & Technology Park, Blanchardstown Road North, Ballycoolen Dublin 15 D15Yn11, Ireland	Indirect	A Ordinary Shares of €1 each	1,750	34%
Total Recycling Services Limited	06989536	Lingfield Way, Yarm Road Business Park, Darlington, Co Durham, DL1 4PZ	Indirect	A Ordinary Shares of £0.00001 each	3,033,571	100%
Traust Topco Ltd	13674912	231 Higher Lane, Lymm, Cheshire, United Kingdom, WA13 ORX	Indirect	A2 Ordinary Shares of £0.01 each	99,608	94%
Travcorp Holdings Ltd	10109855	Unit 14 Telford Court Chester Gates Business Park, Dunkirk, Chester, England, CH1 6LT	Indirect	A Ordinary Shares of £0.01 each	10,659	87%
Triangle Fire Systems Ltd	12865828	Haywood Way, Hastings, East Sussex, England, TN35 4PL	Indirect	A Ordinary Shares of £0.01 each	2,864	87%
Trinity Topco Limited	12407673	Colmil Works Hart Common Wigan Road, Westhoughton, Bolton, Lancashire, United Kingdom, BL5 2EE	Indirect	B Ordinary Shares of £1 each	37,543	35%
Triptease Ltd	08115425	9 Appold Street, London, England, EC2A 2AP	Indirect	B Preferred Shares of £0.00001 each	4,092,761	42%
UK Flooring Direct Limited	05542003	Unit H1 Pilgrims Walk, Prologis Park, Coventry, England, CV6 4QG	Indirect	A Ordinary Shares of £0.001 each	14,298	100%
V4 UK Holdings Limited	10377444	Point 5 New Eden House, Fletcher Road, Gateshead, United Kingdom, NE8 2ET	Indirect	A Ordinary Shares of £1 each	28,074	100%
Vasorum Limited	IE404787	Trinitas House, 2012 Orchard Avenue, Citywest Business Campus Dublin 24, Citywest, Dublin, D24Wpw6, Ireland	Indirect	A Ordinary Shares of €0.01 each	1,774,000	34%
Victorian House Window Group Limited	06102489	Victorian House Parc Hendre, Capel Hendre, Ammanford, Wales, SA18 3FA	Indirect	A Ordinary Shares of £0.00001 each	3,064,552	94%
Visualisation One (London) Ltd	07799562	St. John’s School, Vicar’s Lane, Chester, England, CH1 1QX	Indirect	A Ordinary Shares of £0.10 each	615	100%
Vocation Brewery Limited	08910830	Countru Business Park New Road, Cragg Vale, Hebden Bridge, England, HX7 5TT	Indirect	A Ordinary Shares of £0.10 each	53,128	89%
Vrtuoso Ltd	11512819	Unit 2 Alexander Charles House, Station Passage, London, England, E18 1JL	Indirect	A Ordinary Shares of £0.0001 each	28,856	87%
VTL Group (Holdings) Limited	04250061	St Thomas Road, Huddersfield, West Yorkshire, HD1 3LG	Indirect	A Ordinary Shares of £1 each	7,440	100%
Walker Precision Holdings Ltd	SC582783	4 Fullarton Drive, Glasgow East Investment Park, Glasgow, United Kingdom, G32 8FA	Indirect	A Ordinary Shares of £1 each	8,089	100%
Waracle Holding Company Limited	SC325433	The Engine Room, 1 Bash Street, Dundee, Scotland, DD1 1NJ	Indirect	A Ordinary Shares of £0.01 each	32,680	100%
Waterford Distillery Group Limited	09102027	2 Babmaes Street, London, Waterford, SW1Y 6HD	Indirect	A Ordinary Shares of £1 each	83,334	100%
WHCO Oyster Limited	13909607	Evolution House, Kellet Close, Wigan, Lancashire, United Kingdom, WN5 0LP	Indirect	A Ordinary Shares of £1 each	31,034	89%
Whistl Consolidated Limited	11995959	Network House, Third Avenue, Marlow, United Kingdom, SL7 1EY	Indirect	A Ordinary Shares of £0.0001 each	15,000,000	100%
Wild Life Group Limited	06531168	Brockhols Farm, Brockholes Lane, Branton, Doncaster, DN3 3NH	Indirect	A Ordinary Shares of £0.001 each	1,232,702	100%
Window Supply Company Limited	SC615256	7 Murraysgate Industrial Estate, Whitburn, West Lothian, Scotland, EH47 0LE	Indirect	A Ordinary Shares of £0.01 each	51,311	100%
Wise Living Developments	12072018	17 Regan Way, Chetwynd Business Park, Nottingham, England, NG9 6RZ	Indirect	A Ordinary Shares of £0.05 each	317,858	100%
WiserFunding Ltd	10149809	2nd Floor Regis House, 45 King William Street, London, United Kingdom, EC4R 9AN	Indirect	A Ordinary Shares of £1 each	30,879	92%
Woodall Group Limited	07566795	5 Midland Way, Barlborough, Chesterfield, England, S43 4XA	Indirect	A Ordinary Shares of £1 each	17,500	100%
XCD HR Limited	07418327	Castlemead, Lower Castle Street, Bristol, England, BS1 3AG	Indirect	A Ordinary Shares of £0.01 each	1,049,749	100%

Company information

Company registration number

10657226

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