

Registered Number: OC404426

BC Partners LLP

Members' report and audited financial statements
for the year ended 31 December 2022



BC Partners LLP

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BC Partners LLP

Members' report for the year ended 31 December 2022

The members present their annual report with the audited financial statements of BC Partners LLP (the 'LLP') for the year ended 31 December 2022.

Principal activities

The principal activities of the LLP is to act as lead investment advisor to the managers of funds for investment in principally unquoted companies and real estate. The investors of these funds are mainly institutional investors.

The LLP (registration no. OC404426) is regulated by the Financial Conduct Authority.

Business review

During 2021, BC Partners Advisors Holdings Limited ("BCPAH") sold its membership interest in the LLP to BCPL Holdings Limited. See Note 11 for the result of the change in immediate and ultimate parent undertaking.

The LLP's profit for the financial year before members' remuneration charged as an expense was £66.7m (2021: £64.1m) and details of the results for the year are set out on page 6. During the year there were 4 member appointments and 4 resignations. There were 26 members as at 31 December 2022.

Subsequent events

The members did not identify any significant events that occurred subsequent to year end that would require disclosure or adjustment to the accounts.

Going concern

After reviewing the LLP's forecasts and projections, which cover the 12-month period from the date of signing the financial statements, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The members have further reviewed the financial position and liquidity of the LLP and concluded that the LLP is well placed to manage its business risks. This is supported by the net asset position of the LLP and the related BC Group and the security of the LLP's material receivable balances.

The LLP's primary source of turnover is fees for the provision of investment advisory services to affiliate entities who are managers of private equity and real estate funds, with underlying management fees secured for 12-months from the date of signing the financial statements.

Accordingly, the members have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The Members take appropriate steps to monitor and minimise the impact of the financial and operating risks faced by the LLP through their day to day oversight and management of the LLP. This includes appropriate consideration of liquidity, market and credit risk, which are mitigated as much as possible through budgeting, forecasting and review of the external environment that the LLP operates in.

In analysing and assessing the risks, the members have carefully considered the political and economic risk, credit risk, liquidity risk, operational risk and environment risk.

Economic risk

Political instability and the conflict between Russia and Ukraine has led to disruption and volatility in global markets. Adverse economic consequences have included sustained increases in the price of commodities, materials and energy, as well as higher interest rates relative to recent years. The LLP is directly exposed to increases to operating costs that could erode profitability, while the indirect risk of the challenging macro environment with restricted access to capital markets could negatively impact Group business performance in the longer term. The members consider the LLP well placed to withstand adverse economic conditions due to the advisory fee revenues being secured, and material components of the cost base being discretionary.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause the LLP financial loss by failing to discharge an obligation. The LLP's primary sources of credit risk consist of cash and cash equivalent balances held and receivable balances. The LLP looks to mitigate its credit risk on cash and cash equivalents by making short-term deposits with counterparties with an "A" or above credit rating.

The majority of the LLP's counterparties for other receivable balances are its related parties and therefore there is limited credit risk exposure. Balances due from related parties are monitored regularly and historically default levels have been nil.

Liquidity risk

Liquidity risk is the risk that the LLP cannot meet its obligations as they fall due or can only do so at a cost. The LLP's liquidity risk and capital requirement are managed centrally by the Group to ensure that sufficient liquidity is maintained to cover all cashflow funding and meet all obligations as they fall due and maintain solvency.

Environmental risk

The LLP's primary source of environmental risk is the potential reputational damage as a result of neglecting its responsibilities considering increasing stakeholder focus on Environmental, Social and Governance ("ESG") business practices. This risk is mitigated through the LLP's and BC Partners Group's commitment to high standards in regards to ESG matters, which is outlined in detail at <https://www.bcpartners.com/responsibility> and at https://www.bcpartners.com/content/bc-partners-2022_esg-report.

BC Partners LLP

Members' report (continued)

Members

The members who held office up to the date of this report were as follows:

Nikolaos Stathopoulos (Designated Member)
BCPL Holdings Limited (Designated Member)
Mark Hersee (Designated Member) (Appointed as Designated Member 20 March 2023)
Jean-Baptiste Wautier (removed as Designated Member 20 March 2023)

Members' drawings and the subscription and repayment of members' capital

Members draw a proportion of their profit share in twelve monthly instalments during the year in which the profit is made. The balance of profits for all members is allocated in line with the LLP deed, with any distributions subject to the cash requirements of the business.

Energy and carbon report

| | 2022 | 2021 |
|---|---------|---------|
| UK energy use / kWh | 424,173 | 390,000 |
| Associated Greenhouse gas emissions / Tonnes CO2 equivalent | 82 | 91 |
| Intensity ratio: Emissions per full time employee / Tonnes CO2 equivalent | 0.9 | 1.1 |

The above captures energy consumption and greenhouse gas emissions resulting from investment advisory and ancillary activities across BC Partners LLP. Energy consumption is based on actual kWh. The calculation of emissions is based on UK Government GHG Conversion factors.

In 2022, BC Partners LLP did not undertake specific energy efficiency actions.

Disclosure of Information to auditors

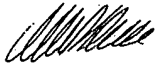
The members who held office at the date of approval of this members' report confirm that, so far as they are each aware: there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006 as applied to limited liability partnerships.

Auditors

The auditors, Deloitte LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006 as applied to limited liability partnerships.

Approved by the members and signed on their behalf by



Mark Hersee
Designated Member
21 April 2023

BC Partners LLP

Statement of members' responsibilities in respect of the members' report and the financial statements

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the firm and of the profit or loss of the firm for that period. In preparing these financial statements, the members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BC Partners LLP

Independent auditor's report to the members of BC Partners LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BC Partners LLP (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the profit and loss account;
- the Statement of Financial Position;
- the Reconciliation of Members' Interests;
- the Cash Flow Statement;
- Accounting Policies; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BC Partners LLP

Independent auditor's report to the members of BC Partners LLP (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the limited liability partnership's industry and its control environment, and reviewed the limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the members about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and the provisions included within the Limited Partnership Agreements of the funds advised by the limited liability partnership; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the limited liability partnership's ability to operate or to avoid a material penalty.

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

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The members' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the member's report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Clacy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Peter Port

Guernsey

21 April 2023

BC Partners LLP

Profit and loss accounts for year ended 31 December 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|-------------------|-------------------|
| Turnover | 2 | 145,445,311 | 162,569,671 |
| Administrative expenses | 3 | (78,285,198) | (98,447,103) |
| Operating profit | | 67,160,113 | 64,122,568 |
| Profit for the financial year before members' remuneration charged as an expense | | 67,160,113 | 64,122,568 |
| Members' remuneration charged as an expense | 5 | (8,189,450) | (7,698,238) |
| Profit available for discretionary division among members | | 58,970,663 | 56,424,330 |

All of the above results are derived from continuing activities.

There are no other gains and losses recognised (2021: nil)

The notes on pages 10 to 14 form an integral part of these financial statements.

BC Partners LLP

Statement of financial position as at 31 December 2022

| | Notes | 2022 | | 2021 | |
|---|-------|---------------------|-------------------|---------------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 6 | | 1,137,711 | | 1,516,978 |
| Current assets | | | | | |
| Debtors | 8 | 62,365,494 | | 78,587,237 | |
| Cash at bank and in hand | | 7,769,019 | | 1,196,973 | |
| Total current assets | | <u>70,134,513</u> | | <u>79,784,210</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(60,424,032)</u> | | <u>(57,483,343)</u> | |
| Net current assets | | | 9,710,481 | | 22,300,868 |
| Total assets less current liabilities | | | <u>10,848,192</u> | | <u>23,817,846</u> |
| Net assets attributable to members | | | <u>10,848,192</u> | | <u>23,817,846</u> |
| Represented by: | | | | | |
| Members' other interests | | | | | |
| Members' capital classified as equity | | | 650,000 | | 500,000 |
| Other reserves | | | 10,198,192 | | 23,317,846 |
| | | | <u>10,848,192</u> | | <u>23,817,846</u> |

The financial statements of BC Partners LLP (Registered number: OC404426) were approved and authorised for issue by the members on 21 April 2023 and were signed on their behalf by:



Mark Hersee
Designated Member
21 April 2023

The notes on pages 10 to 14 form an integral part of these financial statements.

BC Partners LLP

Reconciliation of members' interests for the year ended 31 December 2022

| | Members' other interests | | Loans and other debts due to members | | Total members' interests | |
|--|---------------------------------------|----------------|--|---------------|--------------------------|-------------------|
| | Members' capital classified as equity | Other reserves | Members' capital classified as liability | Other amounts | | |
| | Notes | £ | £ | £ | | £ |
| As at 1 January 2021 | | 500,000 | 12,417,155 | - | - | 12,917,155 |
| Members' remuneration charged as an expense | | - | - | - | 7,698,238 | 7,698,238 |
| Profit for the year available for discretionary division among members | | - | 56,424,330 | - | - | 56,424,330 |
| Members' interests after profit for the year | | 500,000 | 68,841,485 | - | 7,698,238 | 77,039,723 |
| In advance of drawings | | - | (45,523,639) | - | 45,523,639 | - |
| Drawings | 5 | - | - | - | (53,221,877) | (53,221,877) |
| Members' interests at 31 December 2021 | | 500,000 | 23,317,846 | - | - | 23,817,846 |

| | Members' other interests | | Loans and other debts due to members | | Total members' interests | |
|--|---------------------------------------|----------------|--|---------------|--------------------------|-------------------|
| | Members' capital classified as equity | Other reserves | Members' capital classified as liability | Other amounts | | |
| | Notes | £ | £ | £ | | £ |
| As at 1 January 2022 | | 500,000 | 23,317,846 | - | - | 23,817,846 |
| Members' remuneration charged as an expense | | - | - | - | 8,189,450 | 8,189,450 |
| Profit for the year available for discretionary division among members | | - | 58,970,663 | - | - | 58,970,663 |
| Members' interests after profit for the year | | 500,000 | 82,288,509 | - | 8,189,450 | 90,977,959 |
| Capital contribution | | 150,000 | - | - | - | 150,000 |
| Intercompany creditor waiver | | - | 360,333 | - | - | 360,333 |
| In advance of drawings | | - | (72,450,650) | - | 72,450,650 | - |
| Drawings | 5 | - | - | - | (80,640,100) | (80,640,100) |
| Members' interests at 31 December 2022 | | 650,000 | 10,198,192 | - | - | 10,848,192 |

The notes on pages 10 to 14 form an integral part of these financial statements

BC Partners LLP

Cash flow statement for the year ended 31 December 2022

| | Note | 2022 | | 2021 | |
|---|------|--------------|-------------------------|--------------|-------------------------|
| | | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Profit before tax for the financial year | | 67,160,113 | | 64,122,568 | |
| Adjustments for: | | | | | |
| Depreciation, amortisation and impairment | 6 | 619,303 | | 644,152 | |
| Loss on disposal of tangible fixed assets | | 88,270 | | | |
| Decrease/(increase) in trade and other debtors | 8 | 16,221,744 | | (22,488,063) | |
| Increase in trade and other creditors | 9 | 2,940,689 | | 11,643,396 | |
| Members' drawings | | | | | |
| Members' remuneration charged as an expense | 5 | (8,189,450) | | (7,698,238) | |
| Other drawings | 5 | (72,450,650) | | (45,523,639) | |
| Net cash from operating activities | | | <u>6,390,020</u> | | <u>700,175</u> |
| Cash flows from investing activities | | | | | |
| Acquisition of fixed assets | 6 | (328,306) | | (311,575) | |
| Net cash used in investing activities | | | <u>(328,306)</u> | | <u>(311,575)</u> |
| Net cash used in financing activities | | | | | |
| | | | | | |
| Net increase in cash and cash equivalents | | | 6,061,714 | | 388,600 |
| Cash and cash equivalents at 1 January | | | 1,196,973 | | 824,704 |
| Effect of exchange rate fluctuations on cash held | | | 510,332 | | (16,331) |
| Cash and cash equivalents at 31 December | | | <u><u>7,769,019</u></u> | | <u><u>1,196,973</u></u> |

The notes on pages 10 to 14 form an integral part of these financial statements.

BC Partners LLP

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

BC Partners LLP (the 'LLP') is incorporated in the United Kingdom and is registered as a limited liability partnership in England under the Limited Liability Partnerships Act 2000. The registered office is 40 Portman Square, London, W1H 6DA. A limited liability partnership agreement was entered into on 1 July 2016 ('the LLPA') setting out the business arrangements of the members.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of the Statement of Recommended Practice issued in December 2018 effective from periods beginning on or after 1 January 2019, Accounting by Limited Liability Partnerships. The functional and presentation currency of these financial statements is pounds sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared under the historical cost convention, and in accordance with UK Accounting Standards and Applicable Law (UK Generally Accepted Accounting Practice). The financial statements have been prepared on a going concern basis.

Going Concern

The LLP's business activities, together with the factors likely to affect its future development, performance and position are set out in the members' report.

Foreign Currency

Transactions in foreign currencies are translated to the LLP's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

Significant judgements and estimates

There are no judgements or key assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Basic Financial Instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged on all tangible fixed assets over the expected useful economic life of the assets and charged on a straight-line basis. Assets have a useful economic life of between three and eight years.

BC Partners LLP

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies (continued)

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and the impairment loss is recognised immediately in profit and loss. Fixed assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Defined contribution pension

A defined contribution plan is a post-employment benefit plan under which the LLP pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Turnover

Turnover represents advisory, transaction and monitoring fees. Advisory fees are recognised on an accruals basis.

Transaction and monitoring fees, which are the entitlement of the Funds per the Limited Partnership Agreements ("LPAs"), are not recognised in these financial statements.

Interest income

Interest on loans and receivables is calculated using the effective interest rate method and is recognised in the income statement as interest income.

Taxation

Income tax payable on the profits of the LLP is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

Expenses

Expenses are recorded on an accruals basis as incurred. Annual rentals under operating leases are charged to the Income Statement on a straight line basis over the term of the lease.

Members' other interests

The LLP agreement provides that fixed amounts, determined for each member, be paid to members irrespective of the profits of the LLP. These amounts are included in the income statement after arriving at profit for the period before members' profit share. The LLP's policy for determining the disclosure of the profit that is attributable to the member with the largest entitlement to profit (including remuneration) includes all amounts distributed to the designated or individual member.

A member's share in the profit for the period is accounted for as an allocation of profits.

Members' allocation of profit/losses

In line with the LLPA, the Members determine the profits to be retained by the LLP to maintain sufficient funds to finance the working capital and other needs of the business. Profits over and above this are allocated in accordance with the LLPA. Losses incurred by the LLP are retained to be offset by future profits.

BC Partners LLP

Notes to the financial statements for the year ended 31 December 2022

2 Turnover

Turnover is attributable to the principal activity of the LLP, which is the provision of investment advisory services to affiliate entities, in their capacity as managers of European domiciled funds.

3 Administrative expenses

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Staff cost | 13,066,201 | 12,849,888 |
| Depreciation on owned fixed assets | 619,303 | 644,152 |
| Operating lease rentals on land and buildings | 2,151,579 | 2,151,579 |
| <i>Auditor's remuneration:</i> | | |
| Fees payable to the LLP's auditor for the audit of the LLP financial statements | 75,825 | 75,000 |
| Fees payable to the LLP's auditor for the non-audit service | 9,000 | |
| Foreign exchange (gain)/loss | (5,265,373) | 4,601,110 |
| Investment advisory fees | 44,340,606 | 60,842,770 |
| Professional fees | 2,903,716 | 1,715,374 |
| Research and subscriptions | 530,223 | 1,160,942 |
| Donations | 468,865 | 430,711 |
| Other operating expenses | 19,385,253 | 13,975,577 |
| | <u>78,285,198</u> | <u>98,447,103</u> |

4 Staff numbers and costs

The average number of staff employed by the LLP during the year was as follows:

| | 2022 | 2021 |
|-----------|------|------|
| Employees | 64 | 58 |

All employees are categorised equally.

The aggregate payroll costs of these persons were as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 10,988,570 | 11,143,378 |
| Social security costs | 1,495,063 | 1,166,281 |
| Contributions to defined contribution plans | 582,568 | 540,229 |
| | <u>13,066,201</u> | <u>12,849,888</u> |

BC Partners LLP

Notes to the financial statements for the year ended 31 December 2022

5 Members' remuneration

The average number of members providing services to the LLP during the year was as follows:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Members | 26 | 27 |
| | 2022 | 2021 |
| | £ | £ |
| Individual members' cash drawings for the financial year | 15,640,100 | 17,221,877 |
| Corporate members' cash drawings for the financial year | 65,000,000 | 36,000,000 |
| | <u>80,640,100</u> | <u>53,221,877</u> |

The amount of distribution made to the member with the largest entitlement was: 65,000,000 36,000,000

Drawings are treated as payments on account of profit allocation and are only repayable to the LLP in so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated would be included within 'amounts due from members' within debtors.

Each member may draw on account of its share of profits such sums and at such times as the Designated Members shall determine. The Designated Members will determine whether the members may draw amounts in scenarios where the cash requirements of the business compete with the need to allow cash drawings by members.

6 Tangible Fixed Assets

| | 2022 | 2021 |
|---|------------------|------------------|
| Fixtures, fittings and office equipment | £ | £ |
| Cost | | |
| At 1 January | 4,647,256 | 4,335,681 |
| Additions | 328,306 | 311,575 |
| Disposals | (2,824,448) | - |
| At 31 December | <u>2,151,114</u> | <u>4,647,256</u> |
| Depreciation | | |
| At 1 January | 3,130,278 | 2,486,126 |
| Charge for the year | 619,303 | 644,152 |
| Disposals | (2,736,178) | - |
| At 31 December | <u>1,013,403</u> | <u>3,130,278</u> |
| Net book value | | |
| At 31 December | <u>1,137,711</u> | <u>1,516,978</u> |

BC Partners LLP

Notes to the financial statements for the year ended 31 December 2022

7 Operating lease commitments

| | 2022 | 2021 |
|--------------------------------------|-----------------------|-----------------------|
| | Land & Buildings £ | Land & Buildings £ |
| Total future minimum lease payments: | | |
| Within one year | | |
| Between one and five years | 2,151,579 | 2,151,579 |
| More than five years | 1,757,780 | 3,909,359 |
| | 3,909,359 | 6,060,938 |

8 Debtors

| | 2022 | 2021 |
|---------------------------------|------------|------------|
| | £ | £ |
| Amounts owed by related parties | 50,246,182 | 68,677,780 |
| Other debtors | 7,118,567 | 6,017,652 |
| Prepayments | 5,000,745 | 3,891,806 |
| | 62,365,494 | 78,587,238 |

The amounts owed by related parties relate primarily to BC Partners Group Holdings Limited and BC Partners Holdings Limited, the ultimate parent company of the the BC Partners Group. There are no conditions attached and balances are payable on demand, interest free and unsecured.

Other debtors includes Enil (2021: £241,858) due after more than one year. This balance related to loans made to former staff repaid during the year.

9 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|---------------------------------|------------|------------|
| | £ | £ |
| Amounts owed to related parties | 54,115,501 | 51,718,989 |
| Other taxes and social security | 337,547 | 484,484 |
| Other creditors | 4,337,355 | 3,450,967 |
| Accruals | 1,633,630 | 1,828,903 |
| | 60,424,032 | 57,483,343 |

The amounts owed to related parties relate primarily to BC Partners Advisors Holding Limited, BC Partners Advisors Sarl, BC Partners Holdings Limited and BCPL Holdings Limited. These balances have arisen through the operational activities of the business. There are no conditions attached and balances are payable on demand, interest free and unsecured.

10 Related parties

The members are not required under FRS 102 section 33 to disclose transactions entered into between two or more fellow subsidiaries of a group, on the basis that the LLP has been included in the group accounts of BC Partners Holdings Limited.

11 Immediate and ultimate parent undertaking

BCPL Holdings Limited, a UK limited company, is the immediate controlling corporate member of the LLP. BCPL Holdings Limited is the smallest group which prepares consolidated financial statement in which the LLP is included, its principal place of business and registered address is 40 Portman Square, London, W1H 6DA. The signed and audited financial statements for BCPL Holdings Limited are submitted to Companies House and can be obtained from the website.

BC Partners Holdings Limited, a Guernsey limited company, is the largest group for which consolidated financial statements are prepared. There is no ultimate controlling party.