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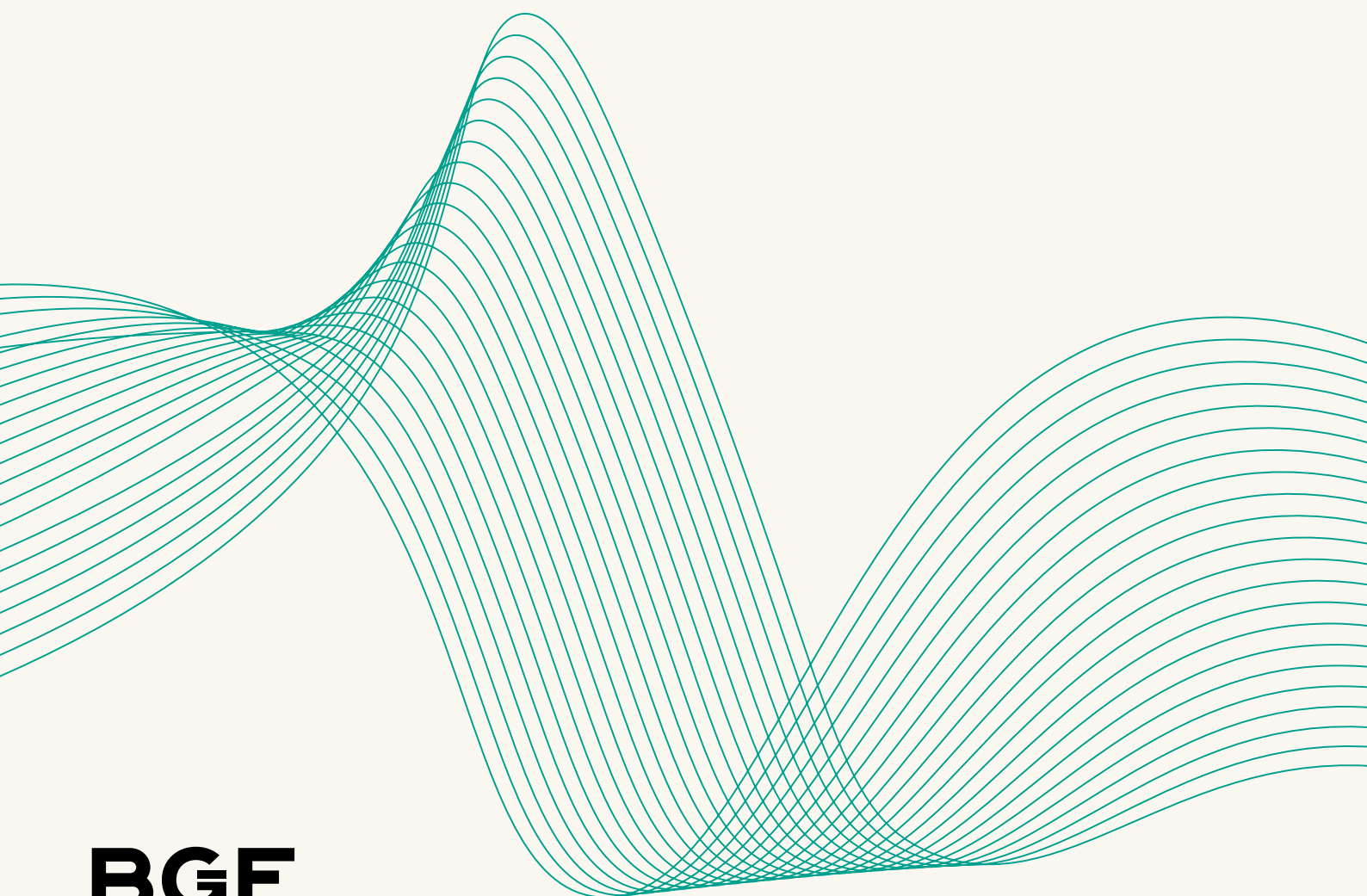


Corporation

# BGF UK Enterprise Fund 3 LP

General partner's report & financial statements

For the year ended 31 December 2024



# BGF

BGF UK Enterprise Fund 3 LP  
Partnership registration number: LP023196

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# About BGF

BGF was established in 2011 to bridge a longstanding gap in the equity market, creating a new category of investment for smaller and mid-sized entrepreneurial businesses that had been chronically underserved. To unlock the potential of these growth-focused companies, we launched with £1.9bn of shareholder capital and over time established a presence in 15 cities across the UK and Ireland, providing direct investment and local value creation support. Since then, we have invested £4.5bn in more than 600 companies, offering essential capital as a minority investor through patient, long-term, scaling partnerships.

BGF is committed to supporting a diverse and expanding portfolio of businesses achieve their growth ambitions, contributing to local prosperity and national economic strength. We seek to drive good growth through strategic investment and meaningful support that is far-reaching, long-term, and designed to deliver lasting impact.

# BGF at a glance

## Purpose

- Founded to support UK SMEs
- Regional-first: unlocking equal access to capital
- Minority only investments via patient capital

## Platform

- Unmatched scale, deliverability and diversification
- Supporting c.50 new deals and c.£500m deployment annually
- Strong proprietary deal flow and regional footprint

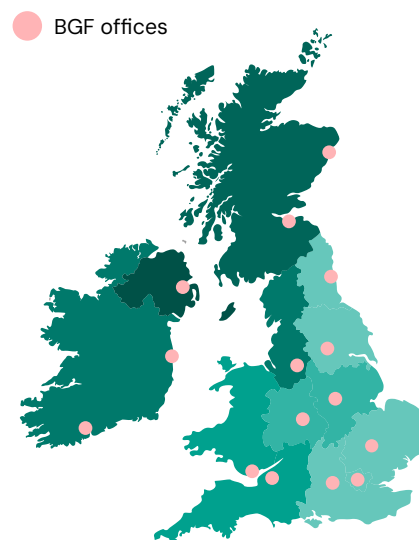
## Performance

- Attractive risk-adjusted returns
- Optimised via preferential structuring and diversification
- In-house team driving value creation for portfolio

## Portfolio

- Live portfolio of 369 companies and more than £3bn AuM
- 30% realised return uplift vs carrying value<sup>1</sup>
- Cost efficiency improving with scale

<sup>1</sup> Representing activity between 2016–2024. Realised returns from 2016 onwards are a more accurate measure of performance, as they reflect investments made after BGF had established a diversified, regional investment platform across its core strategies: Growth, Early Stage, and Quoted.



74%

invested outside London  
& South East

## Growth impact

Across 510 live and exited BGF-backed companies, the growth impact includes:



27,000+  
Jobs growth



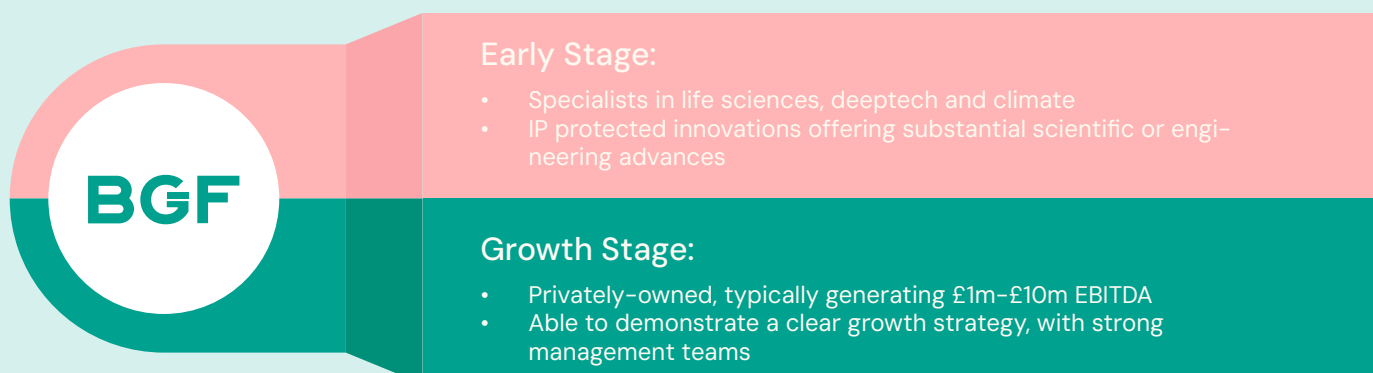
£7.1bn  
Revenue growth



£1bn  
Export growth

The cohort represents 510 of 613 live and exited BGF-backed companies across the Growth and Early Stage portfolio, and 11 Quoted companies where we made structured investments. Companies that have not reported data include 95 quoted companies where BGF made straight equity investments, and 8 passive/spinouts companies. 294 of the 510 companies have exports.

## Investment focus areas



# Highlights

## BGF investment highlights since 2011

Total invested

**£4,483m**

2023: £3,995m

Number of companies

**616**

2023: 564

Follow-on capital

**£1,369m**

2023: £1,223m

Exits

**247**

2023: 218

Total returns

**£2,783m**

2023: £2,420m

Current portfolio

**369**

2023: 346



**Diverse and expansive portfolio**

across multiple sectors and all regions, diversifying risk



**Financial strength with purpose**

unlocking growth capital for UK SMEs



**Patient capital**

driving shareholder value over the long term

## UKEF 3

### 2024 FINANCIAL HIGHLIGHTS

Companies backed

**37**

Sectors invested in

**10**

Investment income

**£0.5m**

Invested since inception

**£20.7m**

Growth companies backed

**30**

Early stage companies backed

**7**

“

Our ambition to deploy more than £3bn in capital over the next five years represents an increase in our investment pace, reinforcing our commitment to supporting SMEs at scale.”



## CHAIRMAN'S REPORT

# A year of purposeful investment

BGF's role in supporting the UK's economic growth has never been more relevant. Since inception, BGF has invested in over 600 companies, deploying £4.5bn in funding, directly fuelling innovation, job creation, and long-term economic expansion.

Over the years, BGF has demonstrated a strong commitment to investing in businesses that are shaping the future of the UK economy. Today, half of our investments have been made in the growth driving sectors identified in The UK Government's Modern Industrial Strategy, including technology, life sciences, and advanced manufacturing. Our focus on regional investment has also played a key role in economic impact and the success of BGF.

Looking at a cohort of BGF-backed companies reporting data, the strength of the portfolio is further reflected in its growth impact. 58% of companies engage in exports, and have driven export growth by £1bn. This global expansion, coupled with our commitment to UK-wide economic growth, has driven significant job creation, with 27,000 roles generated across various sectors, taking the total employees within the portfolio to 97,000. Moreover, BGF-backed businesses have achieved an impressive total portfolio turnover growth of £7.1bn to £17.3bn.

### Our strategic role in the UK economy

As the UK transitions through a rapidly evolving economic landscape, access to growth capital remains a fundamental

challenge for SMEs. BGF is uniquely positioned to address this gap, providing businesses with flexible, long-term investment to fuel their ambitions.

The appointment of a new government last year has brought renewed focus on driving private sector-led growth. While this is no small task, we stand firmly behind this mission. Our ambition to deploy more than £3bn in capital over the next five years represents an increase in our investment pace, reinforcing our commitment to supporting SMEs at scale.

### Strengthening leadership and governance

To support BGF's continued growth, we have strengthened our board with the addition of Rosaleen Blair as a Non-Executive Director. Rosaleen brings deep expertise in entrepreneurial leadership and corporate governance, aligning perfectly with our mission to unlock potential and drive long-term value creation.

I want to extend my thanks to our shareholders and investors for their ongoing support and to every member of the BGF team for their dedication. Their expertise and passion for backing great businesses underpin our success. As we look ahead, I am confident that BGF will remain a powerful engine of growth for SMEs across the UK.

**Ian Livingston (Lord Livingston of Parkhead)**  
Chairman



“

In 2024 we committed £25m to the £250m Invest in Women Taskforce, a UK government-backed initiative focused on unlocking capital for female founders.”



## CEO REPORT

# An expanding role in supporting SMEs

BGF's strong performance in 2024 reflects the strength of our model — with sustained investment across a diverse portfolio and significant growth in income and profits. Despite a subdued M&A market, we delivered solid realisations across the wider portfolio and long-term value, underlining our ability to invest through cycles and support growth.

### Continuing to back high-growth companies

In the past year, BGF deployed £489m to support high-potential companies across the UK and Ireland, bringing our total investment in SMEs to £4.5bn since our founding.

We welcomed 47 new entrepreneurial businesses into our portfolio, which currently stands at 369 companies spanning all sectors and regions. Investments included Elite Dynamics (North West), Skewb (Midlands), Woodland Kitchens (Northern Ireland), and Sulmara (Scotland). We also provided growth capital to Tevalis (Yorkshire), Vosaio (South East), Tapered Plus (North East), Pure Cyber (Wales), and Plant-Ex (South West). These businesses are the backbone of the economy, driving growth, exports, innovation and job creation.

We continued to invest in portfolio businesses from previous vintages that are making a lasting impact in their sectors. A significant portion (£146m) of total 2024 investment was allocated to follow-on funding. With UKEF 3 only recently having completed its investment

<sup>1</sup> [Beauhurst, How big is the North-South Divide? March 2025](#)

period for new deals, we have not yet seen any follow-on investments. However, one third of the Fund's capital is retained to ensure UKEF 3 is well positioned to capitalise further on the growth potential of the portfolio over the coming years.

We successfully exited several investments from the wider portfolio, realising strong returns where we had supported substantial growth. We exited Springfield Healthcare Group, a Yorkshire-based healthcare provider. During our 12 year partnership, Springfield expanded from a single care home to six care villages, with over 700 employees. Another example is leading engineering and sustainability consultancy Hydrock which generated a 6x money multiple return on our investment. Both are testament to the impact of well-placed patient capital and value creation.

### Regional growth at the core

Regional investment remains a key pillar of BGF's strategy. 74% of our investments are outside London and the South East, countering the capital's increasing dominance, which has grown from 41.5% share of overall UK fundraising to 49% over the past decade<sup>1</sup>. Without BGF's regional investment platform, this imbalance would have been even more pronounced.

### Strong growth in total returns and income

As detailed in the COO Report, 2024 saw BGF deliver across all key financial metrics — from increased investment income and operating profit to a growing

portfolio and balance sheet strength. Strong deployment, steady realisations, and disciplined asset management reflect a resilient model equipped to navigate changing market conditions.

### Scaling up our funding commitment

The last 14 years have demonstrated that BGF is a scalable model for supporting the growth of UK SMEs. We have shown that a combination of long-term minority investment and hands-on value creation is a proven driver of SME success. We have also demonstrated that it is an investable model, delivering attractive risk-adjusted returns. With SMEs demonstrating remarkable adaptability and resilience, we are raising our ambitions. Our goal now is to deploy more than £3bn in capital over the next five years, a step up from historical investment levels but aligned with the capacity and resources we have built to ensure effective deployment.

### Launching our employee co-invest initiative

I'm delighted that more than 60 team members signed up for the first year of our co-invest scheme, committing a total of over £4.3m —a huge testament to the conviction in our model. More employees have expressed interest in participating in future rounds and we look forward to building on the co-invest in future years.

### Commitment to ESG and diversity

Integrity and purpose remain at the heart of BGF. In 2023, we achieved B Corp certification, reinforcing our commitment to responsible and sustainable investment. We have continued to integrate ESG principles into our investment process, ensuring our portfolio companies are supported to embrace sustainability, good governance, and social responsibility.

BGF also remains a leading institutional investor in female-led businesses. As proud signatories of the Investing in Women Code, we are committed to fostering gender diversity in entrepreneurship. To progress this aim, in 2024 we committed £25m to the £250m Invest in Women Taskforce, a UK government-backed initiative led by Chancellor Rachel Reeves, focused on unlocking capital for female founders.

### Supporting the next generation

Beyond investing in businesses, BGF supports young people across the UK through the BGF Foundation.



Skweb team

Last year, I was honoured to take on the Chair role of the Foundation, alongside several new board members who will play a key role in advancing our mission. Additionally, BGF committed an additional £1.5m to the Foundation in 2024. This significant funding pledge will sustain its efforts over the next three years.

### Progressing leadership and team

To drive our next phase of growth, we have strengthened our leadership team. We were pleased to welcome Chris Olds as Chief Operating Officer, who is leading efforts to enhance our operational infrastructure and strategic roadmap.

We also introduced Partner titles across our regional and national teams, recognising the depth of expertise within BGF and reinforcing our long-term commitment to talent development. These promotions further strengthen our leadership and ability to support high-growth businesses.

I would like to extend my gratitude to the Board and the entire BGF team—their dedication and talent enable us to fulfil our mission and drive long-term value for our portfolio and shareholders.

### Looking ahead

As we look to the future, BGF remains uniquely positioned to drive sustainable growth in the UK & Irish economies. With a proven funding model, a commitment to responsible investment, and a strong leadership team, we will continue to support the ambitions of entrepreneurs, ensuring they have the capital and expertise to thrive.

### Andy Gregory

Chief Executive Officer

“

2024 was impacted by economic uncertainty and a difficult transactional backdrop. Despite this, BGF invested £489m direct and follow-on investment capital from our balance sheet and third-party managed funds, and investment income plus exits totalled £422m.”



## COO REPORT

# Business Review

The key output of BGF'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 valuation multiples.

A key input in our fair value computations for unrealised gains is quoted market multiples, which continued to be depressed in 2024 due to another year of macro uncertainty. BGF is a long-term investor, and therefore short-term valuation movements act only to present a point in the journey of delivering the realised cash gains we invest for. Notwithstanding the pressure on quoted market multiples, improved trading across BGF's wider portfolio did result in an increase in unrealised gains. Critically, our long-term approach continues to deliver attractive realised gains.

### 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 we have made the most meaningful impact so far.

2024 was impacted by economic uncertainty and a difficult transactional backdrop. Despite this, BGF invested £489m direct and follow-on investment capital from

our balance sheet and third-party managed funds, and investment income plus exits totalled £422m. The team has maintained a good investment pipeline going into 2025. The improvement in performance of our portfolio has led to an increase in the valuation surplus at the year end.

### Investment activity

Continuing to invest through economic cycles is key to maintaining a diversified balance sheet. In 2024, BGF invested £343m in new deals, £320m from the own balance sheet and £23m through third-party funds—the BGF Ireland 1A LP and the UK Enterprise Funds.

In Growth Stage, we made 33 new investments, investing £279m. Our Quoted team invested £29m in six AIM companies and our Early Stage team invested £35m in eight earlier-stage companies. We also provided a further £146m as follow-on funding to companies in our existing portfolio, £141m from our own balance sheet and £5m through third-party managed funds. This highlights the breadth of BGF's investment activities, as well as increasing diversification, which is an integral part of the business model.

2024 saw 29 companies fully exited during the year from BGF's wider portfolio and a number of partial disposals on companies that remain within the portfolio. Last year's exit activity takes our three-year average money multiple on investments completed from 2016 onwards to 1.8x and our internal rate of return (IRR) to 19.5% with total returns on these investments of £985m.





Vosaio

The range of sectors and regions represented continues to demonstrate that entrepreneurs and growing companies can be found in all parts of the economy 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 the largest provider of growth capital in the UK, we are mindful that BGF is part of a wider ecosystem that includes companies, banks, advisers, investors, local and central government and many others. We continue working to maintain their trust and build relationships that will ultimately benefit UK entrepreneurship.

**Chris Olds**  
Chief Operating Officer

## VALUE CREATION

# Driving growth and value creation across our portfolio

BGF's commitment to value creation goes beyond financial investment. We provide hands-on, tailored support to help portfolio companies capitalise on growth opportunities and navigate the complexities of scaling, helping to unlock potential. Through our extensive networks, operational expertise, and strategic insights, we empower businesses with the tools, talent, and connections they need to accelerate growth, strengthen governance, and drive sustainable value.

## A tailored approach to growth support

Post-investment, BGF-backed companies benefit from direct engagement with our experienced portfolio investor directors, each one having served on the boards of multiple businesses. Our investor directors provide invaluable guidance, often acting as a sounding board for management teams, and facilitating access to BGF's extensive value creation services, team and networks. From the outset, we are able to collaborate closely with portfolio companies to develop tailored value creation plans—identifying key growth drivers, monitoring risks, and embedding strong governance frameworks.

## Unlocking leadership and operational excellence

In 2024 our value creation team of operating and talent specialists played a pivotal role in supporting these value creation plans across the portfolio, facilitating 48 non-executive appointments and supporting over 400 value creation enhancement projects.

BGF's non-executive network, one of the UK and Ireland's largest and most active, connects companies with top-tier non-executive and executive leaders who bring deep sector expertise and strategic insight. Non-executive chairs and directors introduced through BGF bring added credibility, ensuring businesses benefit from experienced leadership that can drive transformation and growth.

Beyond board appointments, we provide access to pre-qualified external consultants and fractional talent across key business functions, including finance, digital transformation, ESG, and compliance. Our in-house



Bessages

portfolio talent team works closely with companies to identify and recruit high-calibre executive talent, particularly in finance and operational leadership roles.

Additionally, our in-house operating specialists offer hands-on support in key growth areas, helping companies enhance their digital strategies, strengthen their finance functions, and implement sustainability initiatives.

## Expanding global horizons

Last year, we enhanced our support for businesses looking to expand internationally by establishing an International Expansion Advisory Network (IEAN), providing access to seasoned experts with deep experience in North America, Europe, and Asia-Pacific markets. We offer tailored support on market entry strategies, local regulatory requirements, supply chain logistics, and customer acquisition.

We also coordinated our inaugural Scale US event alongside strategic partners Kelly Newman Advisors, where portfolio companies benefitted from dedicated workshops, market insights, and direct access to industry leaders who have successfully navigated expansion in the US.

## Procurement and sales support

BGF portfolio companies can benefit from portfolio revenue-generating and cost-saving opportunities through our Portfolio Procurement Initiative. By leveraging the



collective buying power of more than 350 companies, we have been able to facilitate the delivery of cost efficiencies in key areas such as insurance, logistics, and energy procurement.

Additionally, our targeted sales support programme facilitated introductions to potential customers within the portfolio.

### Peer-to-peer learning and community building

Recognising the power of peer learning and collective knowledge, BGF facilitates a Portfolio Exchange App, enabling real-time connections among founders, CEOs, and chairs within our network. Our calendar of in-person and virtual events, including the National Growth Forum, ESG Forum, and Regional CEO Dinners, provides a platform for knowledge-sharing, collaboration, and business development.

In 2024, and in collaboration with the portfolio, we began taking community engagement to the next level with development of Scale, a new platform designed to foster peer-to-peer networking, structured learning, and shared insights on scaling challenges. Whether it's exploring AI adoption, sustainable growth strategies, or scaling culture, Scale will provide portfolio companies with the resources and connections they need to stay ahead in an evolving market landscape.

### Measuring impact and tracking growth

We continuously track and measure the impact of our value creation initiatives, ensuring portfolio companies have access to meaningful data and benchmarking insights where possible. Our reporting framework includes:

- **Portfolio valuations and estimated outcomes** (as reported in Annual Accounts and to the Board)
- **Portfolio revenue, employee, and export growth tracking** (biannual assessments)
- **Annual ESG assessments**, including sector and size benchmarking, shared with portfolio companies
- **Board effectiveness and technology stack assessments**, helping companies leverage best practices in governance, innovation and technology adoption.



Matt Cairns, Eleven Sports Media

In 2024, we built on the above with our first portfolio AI assessment, helping businesses benchmark, evaluate and enhance their AI adoption, as well as our first community engagement survey.

### Looking ahead

BGF's value creation programme is designed to evolve alongside the needs of portfolio companies. As businesses continue to navigate complex market conditions, our commitment to providing direct support, access to top-tier talent, and strategic insights remains steadfast. With the launch of Scale, greater data insights, AI benchmarking, enhanced ESG support, and continued investment in peer learning and operational excellence, we are poised to deliver even greater impact in the years ahead.



James Tucker, CEO Twenty7tec

## VALUE CREATION CASE STUDIES

### Powering the future of mortgage and wealth advice

Founded in 2014 and headquartered in Bournemouth, Twenty7tec has emerged as a leading force in the UK's mortgage and financial advice technology landscape. Specialising in business-to-business fintech and advice tech, the company's platform streamlines the entire mortgage journey—from initial product search and sourcing to application submission and final completion—providing a seamless, data-driven experience for both advisers and their clients.

Serving over 16,000 mortgage, protection, and wealth advisers daily, Twenty7tec has become a trusted partner for firms navigating complex customer journeys and regulatory demands. Its highly regarded technology is prized for delivering efficient, accurate, and scalable solutions that improve adviser productivity and enhance client service.

BGF recognised the strategic opportunity to support a high-growth business at the forefront of transforming financial advice through technology. Our investment is helping to accelerate Twenty7tec's product development roadmap, enabling the company to deepen its capabilities across the mortgage and wealth sectors. In parallel, the capital will enhance the company's core technology infrastructure and help expand its team of industry-leading talent. These foundations will ensure Twenty7tec continues to deliver innovative, future-ready solutions to its rapidly growing customer base.

A central pillar of BGF's value creation strategy was helping Twenty7tec harness its underutilised data assets. Working alongside the management team, BGF introduced experienced data leader Matt Sawyer—who previously built scalable solutions at JustEat and Trainline—to lead a transformational project.

Under Matt's guidance, Twenty7tec developed a cloud-based data platform capable of processing anonymised interaction data from across its sourcing and CRM tools. This robust infrastructure now enables broker and lender clients to derive actionable insights from usage metrics, conversion funnels, and broader market trends. It also positions Twenty7tec as a critical intelligence partner in a rapidly digitising financial services ecosystem.

In addition to data innovation, BGF facilitated the introduction of a fractional Chief Revenue Officer to support commercial strategy. This has helped Twenty7tec sharpen its go-to-market approach, refine client segmentation, and accelerate growth in adjacent markets such as wealth advice—where the company is quickly gaining traction.



## VALUE CREATION CASE STUDIES



### Networks that scale

Founded in 2005, Evolve is a Wigan-based specialist in end-to-end managed network and IT solutions. Over the years, the business has built a strong reputation for helping companies reduce costs and streamline service management, with a focus on sectors such as retail, hospitality, food-to-go, and petroleum. Today, Evolve operates in 12 countries, offering services including SD-WAN, internet connectivity, IT support, and guest Wi-Fi to over 1,000 sites in the US alone. BGF invested in Evolve to support its ambitious UK and international expansion plans.

A key value creation milestone has been Evolve's strategic partnership with fellow BGF portfolio company, Purple—a leading provider of Wi-Fi and place-based analytics. This collaboration allows Evolve to integrate Purple's cutting-edge guest Wi-Fi capabilities into its offering, replacing its in-house solution. In return, Purple refers Evolve to clients experiencing connectivity issues. This two-way partnership

boosts functionality for end customers, enabling features such as personalised communications, customer surveys with 97% response rates, and real-time behavioural insights.

For Evolve, this marks a strategic shift, aligning with its mission to deliver industry-leading, scalable, and modern guest Wi-Fi services. As Purple expands into hospitality, it leverages Evolve's deep sector experience to enhance customer offerings and drive mutual growth.

By aligning ambition and operational strength, BGF's investment and support have enabled Evolve to solidify its market position and create scalable, tech-enabled solutions that respond to evolving client needs across global markets.

## ESG &amp; SUSTAINABILITY

# Shaping a responsible future

At BGF, we harness our scale and expertise to drive meaningful improvements in the most material ESG areas for our businesses and portfolio. As a certified B Corp, we are committed to the highest ESG standards and are proud members of the Diversity VC Standard, Level 20, Employers Network for Equality and Inclusion (ENEI), and Disability Confident.

We actively support #10,000BlackInterns and GAIN (Girls Are Investors) and are signatories to the UN Principles of Responsible Investment (PRI) and the Invest in Women Code.

## A commitment to diversity

BGF is committed to fostering a diverse and inclusive workplace, reflected in the composition of our workforce, which currently comprises 47% women, 15% from Black, Asian, and Minority Ethnic (BAME) backgrounds, and 67% who attended UK state schools or received bursaries to fee-paying schools. In 2024, 60% of all new hires were female, with 25% investment team hires being female, while 21% of hires came from BAME backgrounds.

Our annual internship programme also reflected this commitment, with 77% female participants, 15% identifying as LGBTQIA+, 31% from BAME backgrounds, and 38% from lower socioeconomic backgrounds. We continue to strengthen inclusive recruitment efforts through partnerships with diversity-focused initiatives through #1000BlackInterns, Girls Are Investors (GAIN) and EmployAbility.

Building on the success of our graduate programme, launched in 2023, we have now recruited nine graduates from a range of ethnic and socioeconomic backgrounds via our inclusive hiring process.

In response to our 2024 employee engagement survey, we introduced new communication channels to enhance transparency and scaled our management development programme to support career progression.

## Mental health awareness training

In line with our focus on employee wellbeing, we expanded our mental health awareness training in 2024, offering tailored sessions for managers and providing e-learning resources for all employees. These initiatives supplemented our wider activities during Mental Health Awareness Week, reinforcing our commitment to fostering a supportive workplace culture.

## Diversity Action Group

The strength of our internal networks was recognised in 2024 when BGF's Diversity Action Group (DAG) was awarded 'Outstanding Employee Network of the Year' by the British Diversity Awards and achieved Gold Standard accreditation from ENEI. We were also ranked seventh in the Venture Capital Industry Honordex, a benchmark for DEI performance. Following the completion of our Diversity VC audit via the FairHQ platform, we advanced to Level 3 status, up from Level 2 in 2022. DAG shares its insights with our portfolio companies and the wider industry.







Puraffinity – Team photo

## Green Innovators Group

To further our sustainability efforts, BGF established the Green Innovators Group (GIG), an internal team dedicated to driving progress against our climate targets. Over the past year, we have focused on setting near-term environmental goals and laying the groundwork for longer-term ambitions, with upskilling initiatives on net zero strategies and collaboration with external experts to re-baseline our emissions data using a 2024 Greenhouse Gas (GHG) inventory.

## Building a resilient and responsible portfolio

BGF invests with a clear purpose: to foster good growth in businesses that create long-term value for all stakeholders. Our 'Good Growth' philosophy balances commercial success with positive social and environmental impact. Our approach is guided by five core principles: leading well, growing sustainably, taking thoughtful steps, keeping broad minds, and going further together. We believe purpose is not just a short-term ambition but a long-term commitment to driving meaningful change.

This belief is reflected in our investments in purpose driven businesses. In 2024, BGF was recognised as a topten investor in impact driven UK companies. Last year, examples of these investments included Sunswap, a company developing zero-emission transport refrigeration technology, and Puraffinity, which is pioneering solutions for removing toxic PFAs from water.

We undertake annual portfolio ESG benchmarking through an independent third party, ensuring a comprehensive assessment of performance across key sustainability metrics. In addition, we provide a structured programme of learning and development through webinars, workshops, and our annual ESG Day, equipping businesses with the knowledge and tools to enhance their ESG strategies. Through our value creation network, portfolio companies gain direct access to specialists who deliver tailored ESG projects, driving both sustainable performance and value creation.

As we look ahead, BGF remains steadfast in our commitment to driving sustainable impact, ensuring ESG remains at the core of our investment philosophy and corporate culture.



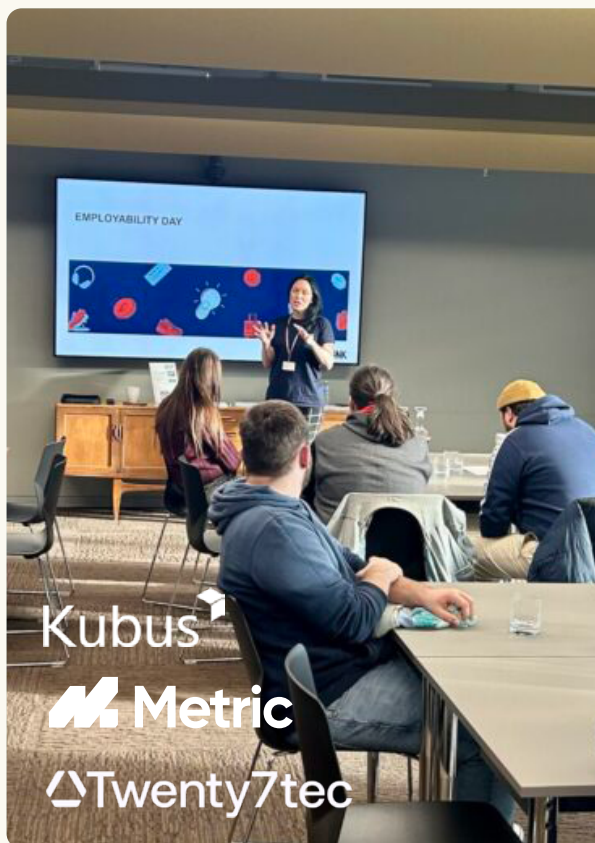
## ESG & SUSTAINABILITY CASE STUDIES



### Feeding the future sustainably

Plant-Ex Ingredients is a leading manufacturer of natural food ingredients, supplying sustainable colours, flavours, and extracts to customers across Europe, the Middle East, North Africa, and the US. With BGF's backing, the business recently opened a new, energy-efficient factory in Bristol that doubles its UK capacity and positions it for accelerated global growth.

Following the investment, BGF's ESG team worked closely with Plant-Ex to identify the most material areas for development during the 100-day plan. Given the company's core operations in natural food ingredient manufacturing, the primary focus was on strengthening supply chain sustainability. The team supported Plant-Ex in setting goals to monitor and reduce energy, waste, and water usage, enhance employee development opportunities, and establish a formal supplier code of conduct. These initiatives are helping the business embed responsible growth practices as it scales its international footprint.



### Collaborative ESG strategy workshops

The ESG team delivered a series of strategy workshops for portfolio companies Kubus, Twenty7tec, and Metric Search, designed to promote shared learning and accelerate ESG maturity. The programme received highly positive feedback, with participants making significant strides in shaping their ESG strategies.

Each business developed a tailored ESG framework and policy, including defined targets and KPIs for the next 18–24 months. The ESG team will continue to provide implementation support and track progress through to exit. For example, Twenty7tec is advancing several new initiatives, including a full materiality assessment, formal carbon reduction targets, the implementation of a mentoring scheme by 2026, and the creation of a data privacy advisory group by the end of 2025. These workshops laid a strong foundation for measurable, long-term impact and demonstrated the value of collaborative ESG development across the portfolio.



## BGF FOUNDATION



Leadership Through Sport and Business (LTSB), BGF Foundation partner charity

# Empowering charities with support beyond funding

In 2024, the BGF Foundation built on the strong start achieved since its launch in 2022, furthering its mission to support small and mid-sized charities dedicated to improving the lives of disadvantaged young people across the UK. Over the course of the year, the Foundation expanded its network of charity partners, boosted staff engagement through pro bono activities and skills-based volunteering, and raised awareness of its innovative funding model among non-profit organisations.

At the heart of its approach is BGF's good growth philosophy, which is extended to the charity sector via a funder plus model. This model not only provides vital financial support but also offers access to expertise, networks, and business guidance—helping charities achieve sustainable, long-term growth.

In a notable development for 2024, the Foundation broadened its partnership grants by welcoming the Social Enterprise Academy—a charity that delivers personal development and social entrepreneurship programmes for young people—joining the ranks of MyBnk and Leadership Through Sport and Business (LTSB) as key beneficiaries of the funder plus approach.

The Foundation also launched its inaugural open grant round, inviting applications from small and mid-sized charities focused on five key areas: enterprise, education, employment, mental health, and physical wellbeing. With 141 applications received, four to five new charity partners are expected to come on board in 2025.

Further reinforcing its commitment to community impact, the Foundation introduced a staff grants programme that empowers employees to nominate local, grassroots charities for £1,000 grants. This initiative prioritises organisations with strong local ties and active staff involvement through volunteering or fundraising.

The staff grants programme not only deepens the Foundation's community-led impact at both regional and local levels but also strengthens employee engagement. In 2024, participation in charitable initiatives soared, with employees volunteering a total of 84.5 days (676 hours)—a 56% increase that far exceeded the Foundation's target of a 10% year-on-year growth. This impressive boost was aided by the recruitment and secondment of a dedicated staff member to lead community initiatives, underlining the organisation's commitment to civic engagement.

The Foundation also refreshed its Board of Trustees by integrating both BGF employees and seasoned charity leaders from across the UK. New appointments included Arti Sharma, CEO of nurtureuk; Jo Hannan, Head of The Fusion21 Foundation; and Sarah Gillard, CEO of A Blueprint for Better Business, alongside internal members Jill Williams, Zahir Kasmani and Aaron Baker.

To ensure that small and mid-sized charities continue to receive robust support, BGF committed an additional £1.5m to the Foundation in 2024. This significant funding pledge will sustain its efforts over the next three years, empowering charities to drive meaningful change in the lives of disadvantaged young people throughout the UK.



# Financial Statements

# Report of the General Partner

BGF UK Enterprise Fund 3 GP Limited, in its capacity as General Partner of BGF UK Enterprise Fund 3 LP ("the Partnership"), is pleased to present its report and audited financial statements of the Partnership, for the period ended 31 December 2024.

## Principal activities

The Partnership was established in the UK by BGF UKEF 3 GP Limited, the General Partner, to invest in growing companies that need long-term capital to drive their future success. These companies will typically have exceptional founding teams, innovative products, large addressable markets and highly scalable business models. The Partnership will co-invest with BGF Investments LP in return for a minority equity stake. Follow on funding may be provided to fund further business expansion. The Partnership ceased new investment activity on 31 December 2024. Subsequently, the Partnership provides follow on funding only.

## Partnership interests

The Partnership is funded by loans from the Limited Partner. The Limited Partner is Strand Nominees Limited.

## General Partner

BGF UKEF 3 GP Limited, the General Partner, is responsible for the management and operation of the Partnership. The General Partner receives a priority profit share for these services.

## Results

The Partnership has made a profit for the year of £2,487,000 (2023: £nil).

## Going concern

The financial statements have been prepared on a going concern basis which the General Partner considers to be appropriate for the following reasons.

The General Partner has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the Partnership 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 Partnership has net current assets of £0.6m at 31 December 2024.
- The Partnership has a current cash balance of £0.2m.
- The Partnership's funding is supplied by its existing Partners under an agreement which allows for the drawdown of capital up to the value of £31m as at 31 December 2024. As at the date of signing these financial statements £21m of this had been drawn from Partners leaving £10m available to meet the future funding needs of the business.
- 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 General Partner expects sufficient funding to be available from the existing arrangement with Partners to meet the cash needs of the business for at least 12 months.
- In the event that forecast follow on deployment might exceed current expectations, the General Partner is able to reduce the level of follow on investment activity attributable to the Partnership to keep within the agreed funding limits. This will not affect the Partnership's ability to continue as a going concern.

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

## Taxation

The Partnership as a transparent entity is not subject to UK income tax. Where relevant for UK tax purposes each Limited Partner is required to report its share of the income, gains, losses, deductions and credits of the Partnership. A Limited Partner is taxable, if applicable, on Partnership income or gain whether or not any distribution of money or property is made to the Limited Partner during its fiscal year. It is possible that a Limited Partner's income or tax liability related to the transactions of the Partnership could exceed amounts distributed to such Limited Partner in a particular year.



BGF office image

Limited Partners subject to tax in jurisdictions other than the UK may be taxed by their home tax authority differently from UK Limited Partners.

The country in which an investment is made may impose withholding tax on dividends and interest paid to the Partnership and may tax gains on investments made by the Partnership in that country. Limited Partners resident in countries with appropriate double taxation treaties may be entitled to reclaim part or all of such tax.

### Disclosure of information to Auditor

The General Partner confirms that, so far as it is aware, there is no relevant audit information of which the Partnership's Auditor is unaware, and the General Partner has taken all the steps that ought to have been taken as a General Partner to make itself aware of any relevant audit information and to establish that the Partnership's Auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, as applied to Qualifying Partnerships by The Partnership (Accounts) Regulations 2008, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in Office.

These financial statements will be appended to the General Partner financial statements and sent to the Registrar of Companies (requirement of CA 2006 SI 2008 No 410 Sch 4 Para 7).

This report was approved by the General Partner on 22 July 2025 and signed on its behalf by:

**Andrew Gregory (Director)**

For and on behalf of BGF UK Enterprise Fund 3 GP Limited



# Statement of General Partner's responsibilities

## Statement of General Partner's responsibilities in respect of the Strategic Report, the General Partner's report and the financial statements

The general partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has 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 general partner 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing these financial statements, the general partner is 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 qualifying partnership'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 qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. 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 qualifying partnership and to prevent and detect fraud and other irregularities.

# Independent Auditor's Report to the members of BGF UK Enterprise Fund 3 LP

## Opinion

We have audited the financial statements of BGF UK Enterprise Fund 3 LP ("the qualifying partnership") for the year ended 31 December 2024 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Net Assets Attributable to Partners, 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 qualifying partnership's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

## 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 qualifying partnership 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 general partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease its operations, and as they have concluded that the qualifying partnership'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 its 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 general partner's conclusions, we considered the inherent risks to the qualifying partnership's business model and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the general partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership'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 qualifying partnership will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of the general partner as to the qualifying partnership's policies and procedures to prevent and detect fraud as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meetings of those charged with governance.

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 performed 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 material journal entries recorded as post-closing entries, unusual or unexpected pairing between cash and revenue, and journals relating to investment valuation.

### **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 General Partner (as required by auditing standards), and discussed with the General Partner the policies and procedures regarding compliance with laws and regulations. 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.

The qualifying partnership is subject to laws and regulations that directly affect the qualifying partnership including financial reporting legislation (as determined by the Limited Partnership Agreement) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the qualifying partnership is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### **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.

### **Strategic Report and General Partner's Report**

The general partner is responsible for the strategic report and general partner's report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and general partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the general partner's report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships.

### Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' 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.

### General Partner's responsibilities

As explained more fully in the statement set out on page 21, the general partner is 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 qualifying 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 they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying 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 qualifying partnership and its 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

22 July 2025





## Profit and Loss Account

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Investment income	2	515	-
Operating expenses	3	(605)	-
<b>Operating loss</b>		<b>(90)</b>	-
Interest receivable		1	-
		(89)	-
Net unrealised capital gain	5	2,576	-
<b>Total Comprehensive Income</b>		<b>2,487</b>	-

All of the above arose from continuing operations.

The notes on pages 29 to 36 form an integral part of these financial statements



## Balance Sheet

As at 31 December 2024

	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Investments	5	23,240	-
<b>Current assets</b>			
Debtors:	6		
Amounts falling due within one year		164	-
Amounts falling due after one year		214	-
		378	-
Cash at bank and in hand		248	-
		626	-
<b>Creditors</b>			
Amounts falling due within one year	7	-	-
<b>Net current assets</b>		626	-
<b>Total assets less current liabilities</b>		23,866	-
<b>Creditors</b>			
Amounts falling due after one year	8	(418)	-
<b>Net assets</b>		23,448	-
<b>Net assets attributable to partners</b>			
Limited Partners – loan	9	20,961	-
Income and capital accounts	10	329	-
<b>Partners' capital account</b>		21,290	-
<b>Unallocated profit reserve</b>	12	2,158	-
<b>Total capital</b>		23,448	-

These financial statements were approved by the General Partner on 22 July 2025 and were signed on its behalf by:

**Andrew Gregory (Director)**

Partnership registration number: LP023196

The notes on pages 29 to 36 form an integral part of these financial statements

## Statement of Changes in Net Assets Attributable to Partners

For the year ended 31 December 2024

	Notes	Limited Partner – loan	Income and Capital accounts	Unallocated Profit Reserve	Total
		£'000	£'000	£'000	£'000
Balance at 1 January 2024		-	-	-	-
Loan capital advanced	9	20,961	-	-	20,961
Allocation of net loss	10	-	329	(418)	(89)
Valuation gain	12	-	-	2,576	2,576
<b>Balance at 31 December 2024</b>		<b>20,961</b>	<b>329</b>	<b>2,158</b>	<b>23,448</b>

For the period ended 31 December 2023

	Notes	Limited Partner – loan	Income and Capital accounts	Unallocated Profit Reserve	Total
		£'000	£'000	£'000	£'000
Balance at 18 May 2023		-	-	-	-
Loan capital advanced	9	-	-	-	-
<b>Balance at 31 December 2023</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes on pages 29 to 36 form an integral part of these financial statements



## Cash Flow Statement

For the year ended 31 December 2024

	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>		
Operating loss	(90)	-
Adjustments for:		
Increase in debtors	(378)	-
Increase in creditors	418	-
Movement in accrued interest	(8)	-
<b>Net cash used in operating activities</b>	<b>(58)</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(20,676)	-
Proceeds received from disposal of investments	20	-
Interest received	1	-
<b>Net cash used in investing activities</b>	<b>(20,655)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Loan capital advanced	20,961	-
<b>Net cash generated in financing activities</b>	<b>20,961</b>	<b>-</b>
Net increase in cash and cash equivalents	248	-
Cash and cash equivalents at 1 January	-	-
<b>Closing cash position</b>	<b>248</b>	<b>-</b>

The notes on pages 29 to 36 form an integral part of these financial statements



## Notes to the financial statements

For the year ended 31 December 2024

### 1. Accounting policies

#### a. Basis of preparation

Under the Partnerships (Accounts) Regulations 2008, the Partnership, as a Qualifying Partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the General Partner has the choice whether the financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or UK adopted international accounting standards. The General Partner has decided to apply UK Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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.

#### b. Going concern

The financial statements have been prepared on a going concern basis which the General Partner considers to be appropriate. The factors that have been considered as part of this review are set out on page 19. The General Partner has 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 Partnership will have sufficient funds to meet its liabilities as they fall due for that period.

#### c. Income

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.

#### d. Operating expenses

Operating expenses are recorded on an accruals basis.

#### e. Priority profit share

The priority profit share is recorded on an accruals basis and is payable to the General Partner, calculated in accordance with the LPA. It relates to costs incurred in connection with the on-going management of the Partnership's investments and administrative costs.

#### f. Basic 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 less impairment.

##### 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

Accruals are recognised for expenditure incurred within the period which are anticipated to be settled shortly following the end of the current accounting period.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank.

#### g. Taxation

No provision for taxation has been made as the individual Partners are responsible for settling their own tax liabilities. The Partnership as a tax transparent entity is not subject to UK income tax.

#### h. Recognition and measurement of investments

The Partnership makes and holds investments with a view to earning investment income and realising gains on subsequent disposals. Investments by the Partnership 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. Carried interest

All investments made by the Partnership are allocated to an annual vintage based on the calendar year of the investment. If the realised return on a given vintage exceeds a minimum hurdle rate, then BGF Investments LP (the Carried Interest Partner) is entitled to a share of those realised returns.

Carried interest payments are accrued at the balance sheet date based on the realisation of all investments at their fair value. The movement in the accrued balance is recognised as an expense in the Profit & Loss account.

### j. 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 partnership’s accounting policies. The General Partner considers the areas where

management make critical estimates and judgements that may have a significant effect on the financial statements are in relation to the valuation of investments at fair value through profit and loss and the provision for carried interest payable which is discussed in detail in note 1i.

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.

### Fair value of investments

As noted in accounting policy ‘h’, investments are measured at fair value. The General Partner considers that the fair value of Investments involves critical accounting estimates and judgements because it is determined by the General Partner 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 General Partner. The General Partner 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 General Partner also relies on significant unobservable inputs. The selection of these unobservable inputs and assumptions require significant judgement by the General Partner. When applying an Earnings Multiple, the General Partner uses its best estimate of maintainable earnings; determines the appropriate multiple to use; and discounts are applied to the multiple for liquidity, size, quality of earnings and other relevant factors as appropriate.

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.

### Carried Interest partner provision

As stated in accounting policy “i”, a provision is recognised for carried interest partner payable where it is expected that the realised returns will exceed a minimum hurdle rate. Significant judgements on the likely timing and amount of future cashflows are required to measure the Partnership’s provision for carried interest partner payable. Management have used the fair value as at the balance sheet date as an estimate of the expected future proceeds. As at 31 December 2024, there was a carried interest provision of £418,000 (2023: nil).

## 2. Income

	2024 £'000	2023 £'000
Dividend income – investee companies	59	-
Loan note interest – investee companies	456	-
<b>Total</b>	<b>515</b>	<b>-</b>

## 3. Operating expenses

	2024 £'000	2023 £'000
Other Expenses	187	-
Movement in Carried Interest Provision	418	-
<b>Total</b>	<b>605</b>	<b>-</b>

Auditor’s remuneration of £41,035 (2023:£18,000) for the audit of these financial statements is wholly borne by Business Growth Fund Limited.

The Partnership had no employees in the current or prior year.

## 4. Realised capital transactions

	2024 £'000	2023 £'000
Proceeds received	20	-
Fair value	(20)	-
<b>Net realised gain</b>	<b>-</b>	<b>-</b>

## 5. Investments

	Equity £'000	Preference Shares £'000	Loan notes £'000	Accrued Interest £'000	Total £'000
Opening book cost	-	-	-	-	-
Opening unrealised surplus	-	-	-	-	-
Opening valuation at 1 January 2024	-	-	-	-	-
 New investments	9,472	-	11,204	-	20,676
Realisations/redemptions	(7)	-	(13)	-	(20)
Net movement on accrued interest	-	-	-	8	8
Valuation movement	2,413	-	163	-	2,576
<b>Closing valuation at 31 December 2024</b>	<b>11,878</b>	<b>-</b>	<b>11,354</b>	<b>8</b>	<b>23,240</b>
<b>Represented by:</b>					
Closing book cost	9,465	-	11,191	8	20,664
Closing unrealised surplus	2,413	-	163	-	2,576
<b>Closing valuation at 31 December 2024</b>	<b>11,878</b>	<b>-</b>	<b>11,354</b>	<b>8</b>	<b>23,240</b>

All investments are designated as fair value through profit or loss at initial recognition, therefore all gains and losses arise on investments are recognised through profit or loss. The closing unrealised surplus of £2,576,000 (2023: £nil) consists of an unrealised gain against 12 (2023: nil) investments totalling £2,576,000 (2023: £nil).





## 6. Debtors

	2024	2023
	£'000	£'000
Withholding tax debtor	16	-
Interest income receivable	362	-
<b>Total</b>	<b>378</b>	<b>-</b>

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

	2024	2023
	£'000	£'000
Interest income receivable	214	-
<b>Total</b>	<b>214</b>	<b>-</b>

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

	2024	2023
	£'000	£'000
Other creditors	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 8. Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Opening Carried Interest provision	-	-
Provision made in the year	418	-
Amounts paid under Carried Interest Provision	-	-
<b>Total</b>	<b>418</b>	<b>-</b>

## 9. Limited Partner's loan account

	2024 £'000
As at 1 January 2024	-
Loan capital advanced during the year	20,961
<b>Loan capital at 31 December 2024</b>	<b>20,961</b>

	2023 £'000
As at 18 May 2023	-
Loan capital advanced during the year	-
<b>Loan capital at 31 December 2023</b>	<b>-</b>

## 10. Income and Capital account

	2024 £'000
As at 1 January 2024	-
Net profit allocated during the year	329
<b>Loan capital at 31 December 2024</b>	<b>329</b>

	2023 £'000
As at 18 May 2023	-
Net profit allocated during the year	-
<b>Loan capital at 31 December 2023</b>	<b>-</b>

## 11. Allocation of net profit

	2024	2023
	£'000	£'000
Realised profit allocated to income and capital account	329	-
Unrealised profit allocated to revaluation reserve	2,576	-
Unrealised loss allocated to Carried Interest provision	(418)	-
<b>Total net profit</b>	<b>2,487</b>	<b>-</b>

## 12. Unallocated profit reserve

	Carried Interest provision reserve	Revaluation reserve	2024
	£'000	£'000	£'000
As at 1 January 2024	-	-	-
Valuation gain	-	2,576	2,576
Provision	(418)	-	(418)
<b>As at 31 December 2024</b>	<b>(418)</b>	<b>2,576</b>	<b>2,158</b>

	Carried Interest provision reserve	Revaluation reserve	2023
	£'000	£'000	£'000
As at 18 May 2023	-	-	-
Valuation gain	-	-	-
Provision	-	-	-
<b>As at 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 13. Related party transactions

Strand Nominees Limited, the Limited Partner of the Partnership, is a member of the same group as RBS SME Investments Limited, one of the shareholders of the general partner of the Partnership, BGF UK Enterprise Fund 3 GP Limited.

### 14. Ultimate controlling party

The General Partner of the Partnership is BGF UK Enterprise Fund 3 GP Limited, a limited company registered in England and Wales. BGF Group Plc is the ultimate controlling party and copies of its financial statements can be obtained from 13-15 York Buildings, London, WC2N 6JU.

### 15. Subsequent events

In April 2025 the US government announced tariffs on all goods imported into the US. An initial review of the exposure to US exports was conducted and determined that the current portfolio should not be significantly impacted by the tariffs. As a result, the General Partner considers any impact on the fair value of investments as at 31 December 2024 to be immaterial. There is still significant uncertainty around how these tariffs will be implemented and what their longer-term impact may be and thus the General Partner continues to monitor the situation.

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



## Company information

**Company registration number**

10657226

**Registered Office**

13-15 York Buildings,  
London, WC2N 6JU

**Independent Auditor**

KPMG LLP  
15 Canada Square,  
London, E14 5GL

**Bankers**

Barclays Bank Plc  
One Churchill Place,  
London, E14 5HP

HSBC Bank Plc  
8 Canada Square,  
London, E14 5HQ

## Partnership information

**Partnership registration number**

LP023196

**General Partner**

BGF UKEF 2 GP Limited  
13-15 York Buildings  
London  
WC2N 6JU

**Limited Partner**

Strand Nominee Limited  
440 Strand  
London  
WC2R 0QS

**Registered Office**

13-15 York Buildings  
London, WC2N 6JU

**Independent Auditor**

KPMG LLP  
15 Canada Square  
London, E14 5GL

**Banker**

Barclays Bank Plc  
One Churchill Place  
London, E14 5HP

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# BGF

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