


Registered number
09174621

British Business Financial Services Ltd

Report and Financial Statements

for the year ended 31 March 2019

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British Business Financial Services Ltd
Report and accounts
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British Business Financial Services Ltd
Company Information

Directors

Neeta Atkar
Jonathan Britton
Christopher Fox
Jonathan Linney
Patrick Magee
Christina McComb
Dharmash Mistry
Keith Morgan
Amanda Rendle
Ceri Smith
Lord Smith of Kelvin

Bankers

National Westminster Bank plc
250 Bishopgate
London
EC2M 4AA

Registered office

Steel City House
West Street
Sheffield
S1 2GQ

Registered number

09174621

British Business Financial Services Ltd
Registered number: 09174621
Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2019.

Principal activities and review of business

The Company is controlled by British Business Bank plc, a company incorporated in England and Wales. The internal control procedures implemented by the group and the remuneration paid to the Directors of this Company are disclosed in the consolidated accounts of British Business Bank plc which are available from Companies House.

The principal activity of the Company is to carry out services on behalf of the Department for Business, Energy and Industrial Strategy (BEIS). These services are principally the management of programmes on behalf of BEIS that target specific access to finance issues in the smaller business finance markets. The Company charges BEIS for the services it provides with a view to covering its costs.

Programmes administered by the Company include the Enterprise Finance Guarantee scheme, which facilitates lending to viable smaller businesses that would otherwise be declined for lacking adequate security, and ENABLE Guarantee scheme. The Company also administers the ENABLE funding programme which is designed to increase funding diversification to increase the supply of debt to smaller businesses.

Results

The Company made no profit or loss for the year. (2018 - £nil)

Dividends and reserves

The Company did not pay a dividend during the year.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies notes in the financial statements.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Company Act 2006 applicable to companies subject to the small companies regime.

Directors

The following persons served as Directors during the year:

Neeta Atkar
Jonathan Britton
Christopher Fox
Caroline Green (resigned 19 January 2019)
Jonathan Linney
Patrick Magee
Christina McComb
Keith Morgan
Amanda Rendle
Ceri Smith
Lord Smith of Kelvin

Following the year end, Dharmash Mistry was appointed as a Director on 1 May 2019.

British Business Financial Services Ltd
Registered number: 09174621
Directors' Report

Appointment and removal of Directors

The Board of Directors is responsible for the appointments to the Board.

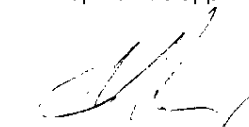
Directors' indemnities

The Company has granted indemnities to each of its Directors in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors to the extent permitted by law and the Company's Articles of Association.

Events after the reporting date

As at the approval date of these financial statements there are no post balance sheet events that require disclosure.

This report was approved by the Board on 10 October 2019 and signed on its behalf by:



Christopher Fox
Director

British Business Financial Services Ltd
Registered number: 09174621
Statement of Directors' Responsibilities

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

Under company law the Directors are required to prepare the financial statements in accordance with recognised accounting standards. The Directors have chosen to adopt International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation which is consistent with the accounting treatment adopted by the parent company. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

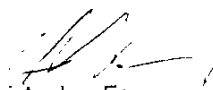
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- 1 the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- 2 the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This report was approved by the Board on 10 October 2019 and signed on its behalf by:


Christopher Fox
Director

British Business Financial Services Ltd
Income Statement
for the year ended 31 March 2019

	Notes	2019 £	2018 £
Revenue	3	19,873,254	16,261,121
Administrative expenses		(19,873,254)	(16,261,121)
Operating profit before tax		-	-
Tax on profit on ordinary activities	5	-	-
Profit for the year		<u>-</u>	<u>-</u>

The profit for the year derives from continuing operations.

The Company has no other recognised gains or losses therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 9 to 15 form part of these financial statements.

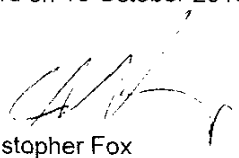
British Business Financial Services Ltd
Statement of Financial Position
as at 31 March 2019

	Notes	2019 £	2018 £
Current assets			
Trade and other receivables	6	7,810,440	4,262,929
Cash at bank and in hand		1,308,469	3,268,920
		<u>9,118,909</u>	<u>7,531,849</u>
Current Liabilities			
Trade and other payables	7	(9,118,908)	(7,531,848)
		<u>1</u>	<u>1</u>
Net assets			
Equity			
Called up share capital	9	1	1
		<u>1</u>	<u>1</u>
Total equity			
		<u>1</u>	<u>1</u>

For the financial year in question, the Company was entitled to exemption from audit under section 479a of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements (company number 09174621) were approved and authorised for issue by the Board on 10 October 2019 and have been signed on its behalf by


Christopher Fox
Director

The notes on pages 9 to 15 form part of these financial statements.

British Business Financial Services Ltd
Statement of Changes in Equity
for the year ended 31 March 2019

	Share capital	Retained earnings	Total
	£	£	£
Opening balance at 1 April 2017	1	-	1
Profit for the financial year	-	-	-
Balance at 31 March 2018	<u>1</u>	<u>-</u>	<u>1</u>
 Opening balance at 1 April 2018	 1	 -	 1
Profit for the financial year	-	-	-
Balance at 31 March 2019	<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 9 to 15 form part of these financial statements.

British Business Financial Services Ltd
Statement of Cash Flows
for the year ended 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Movement in receivables	6	(3,547,890)	(1,983,874)
Movement in payables	7	1,587,060	5,270,052
		(1,960,830)	3,286,178
Movement in corporation tax	6	379	(17,341)
Net cash generated by operating activities		<u>(1,960,451)</u>	<u>3,268,837</u>
Net cash generated			
Cash generated by operating activities		(1,960,451)	3,268,837
Movement in cash and cash equivalents		(1,960,451)	3,268,837
Cash and cash equivalents at 1 April		3,268,920	83
Cash and cash equivalents at 31 March		<u>1,308,469</u>	<u>3,268,920</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>1,308,469</u>	<u>3,268,920</u>

The notes on pages 9 to 15 form part of these financial statements.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

1 General information

British Business Financial Services Ltd (the Company) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out on page 2.

2 Summary of significant accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared in accordance with IFRS and interpretations in force at the reporting date.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

There have been no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

These financial statements are presented in pounds sterling because this is the currency of the primary economic environment in which the Company operates.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on page 2.

The Directors, at the time of approving the financial statements, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at that view they have assumed that in the event of a downturn the parent company and ultimate controlling party, the Secretary of State for the Department for Business, Energy and Industrial Strategy, will continue to support the Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

2 Summary of significant accounting policies (continued)

Adoption of new and revised Standards

There were no new or amended standards applied for the first time and therefore no restatements of the previous financial statements were required.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 3 (amendments) Business Combinations;
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 16 Leases;
- IFRS 17 Insurance Contracts;
- Annual Improvements to IFRSs 2015- 2017 Cycle;
- IAS 1 (amendments) Presentation of Financial Statements;
- IAS 8 (amendments) Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS 19 (amendments) Employee Benefits;
- IAS 28 (amendments) Investments in Associates and Joint Ventures;
- IFRIC 23 Uncertainty over Income Tax Treatments.

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future years.

Revenue

Revenue comprises the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes. Revenue is reduced for estimated rebates and other similar allowances.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

2 Summary of significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity respectively.

VAT is accounted for in the accounts, in that amounts are shown net of VAT except:

- Irrecoverable VAT is charged to the Income Statement, and included under the relevant expenditure heading;
- Irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within payables and receivables on the Statement of Financial Position.

3 Revenue

Revenue is attributable to recharges to the Department for Business, Energy and Industrial Strategy (BEIS), British Business Bank plc and the Regional Funds for services performed on their behalf.

All revenue arose within the United Kingdom, the Company's country of domicile.

4 Staff costs

The Company has no employees other than the Directors. The Directors did not receive any emoluments for their roles in the Company.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

5 Taxation	2019	2018
	£	£
Analysis of charge in the period		
Current tax:		
UK corporation tax on profit for the period	(379)	17,341
Adjustments in respect of previous periods	-	-
	<u>(379)</u>	<u>17,341</u>
Deferred tax:		
Origination and reversal of timing differences	379	(17,341)
	<u>379</u>	<u>(17,341)</u>
 Tax on profit on ordinary activities	 <u>-</u>	 <u>-</u>

Factors affecting tax charge for the period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2019	2018
	£	£
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	-	-
Effects of:		
Expenses not deductible for tax purposes	(379)	17,341
Current tax charge for the period	<u>(379)</u>	<u>17,341</u>

6 Trade and other receivables	2019	2018
	£	£
Trade receivables	113,472	10,630
Amounts owed by group undertakings	7,673,951	4,228,903
Deferred tax asset (see note 8)	23,017	23,396
	<u>7,810,440</u>	<u>4,262,929</u>

Trade receivables disclosed above are classified as amortised cost financial investments.

There were no amounts which are past due at the reporting date. No impairment was recognised against the trade and other receivables as at the reporting date.

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

7 Trade and other payables	2019	2018
	£	£
Amounts falling due within one year		
Trade creditors	55,688	45,875
Amounts owed to group undertakings	7,841,844	5,710,959
Accrued expenses	1,221,376	1,775,014
	<u>9,118,908</u>	<u>7,531,848</u>

The Directors consider that the carrying amount of trade payables approximates to their fair value.

8 Deferred taxation	2019	2018
	£	£
Tax on release of bonus provisions	<u>(23,017)</u>	<u>(23,396)</u>

	2019	2018
	£	£
At 1 April	(23,396)	(6,055)
Tax credited to the profit and loss account	379	(17,341)
At 31 March	<u>(23,017)</u>	<u>(23,396)</u>

The deferred tax is on taxable profit that arises due to the non-deductability of provisions for long term bonus entitlement. The costs will either be realised or reversed in future periods.

9 Share capital	Nominal value	2019 Number	2019 £	2018 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>

10 Events after the reporting date

As at the date of this annual report and financial statement, there have been no other post reporting date events that require disclosure.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

11 Related party transactions

The following information is provided in accordance with International Accounting Standard 24, Related Party Disclosures, as being material transactions with related parties during the year.

The Directors did not receive any emoluments for their roles in the Company.

	2019	2018
	£	£
Income		
Department for Business, Energy and Industrial Strategy	14,934,729	12,091,836
British Business Bank plc	-	98,152
Northern Powerhouse Investments Ltd	2,622,518	2,098,787
Midlands Engine Investments Ltd	1,773,905	1,600,668
Cornwall & Isles of Scilly Investments Ltd	310,105	371,678
East Midland Early Growth Fund	49,246	-
British Business Investments Ltd	150,000	-
	<u>19,840,503</u>	<u>16,261,121</u>
Expenditure		
Department for Business, Energy and Industrial Strategy	-	135,698
British Business Bank plc	14,262,547	10,672,397
Northern Powerhouse Investments Ltd	497,165	420,154
Midlands Engine Investments Ltd	403,100	450,976
Cornwall & Isles of Scilly Investments Ltd	153,768	206,345
	<u>15,316,580</u>	<u>11,885,570</u>

No Director, Board member, key manager or other related party has undertaken any material transactions with the Company during the year.

Amounts outstanding at the year end

As at the balance sheet date, British Business Financial Services Ltd had debts receivable and payable with the following group companies.

	Receivable	
	2019	2018
	£	£
British Business Bank plc	-	2,103,103
British Business Finance Ltd	138,159	2,391
British Business Investments Ltd	26,166	-
British Patient Capital Limited	26,166	-
Department for Business, Energy and Industrial Strategy	2,405,254	939,693
Northern Powerhouse Investments Ltd	2,622,518	137,484
Midlands Engine Investments Ltd	1,773,905	674,554
Cornwall & Isles of Scilly Investments Ltd	681,783	371,678
	<u>7,673,951</u>	<u>4,228,903</u>
	Payable	
	2019	2018
	£	£
British Business Bank plc	7,842,223	5,693,418
British Business Investments Ltd	-	17,341
	<u>7,842,223</u>	<u>5,710,759</u>

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2019

12 Ultimate controlling party

In the opinion of the Directors, the Company's parent company is the British Business Bank plc and ultimate controlling party is the British Business Bank plc's shareholder, the Secretary of State for the Department for Business, Energy and Industrial Strategy. The consolidated financial statements of the Department for Business, Energy and Industrial Strategy are available from the government departments' website at GOV.UK. Copies of the group financial statements of the British Business Bank plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.