

Registered number  
09174621

British Business Financial Services Ltd  
Report and Financial Statements  
for the year ended 31 March 2018

TUESDAY



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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  
Caroline Green  
Jonathan Linney  
Patrick Magee  
Christina McComb  
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 2018.

**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 and ENABLE Guarantee scheme, which facilitates lending to viable smaller businesses that would otherwise be declined for lacking adequate security. 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. (2017 - £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.

**Directors**

The following persons served as Directors during the year:

Neeta Atkar  
Jonathan Britton  
Christopher Fox  
Colin Glass (resigned 23 June 2017)  
Teresa Graham (resigned 23 June 2017)  
Caroline Green (resigned 23 June 2017, appointed 20 July 2017)  
Jonathan Linney (appointed 7 December 2017)  
Patrick Magee  
Christina McComb  
Keith Morgan  
Amanda Rendle (appointed 7 December 2017)  
Ceri Smith  
Lord Smith of Kelvin (appointed 5 July 2017)

**Appointment and removal of directors**

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

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

**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 29 November 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C. Fox', written over a horizontal line.

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.

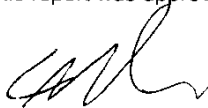
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 29 November 2018 and signed on its behalf by:



Christopher Fox  
Director

**British Business Financial Services Ltd**  
**Income Statement**  
**for the year ended 31 March 2018**

	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Revenue</b>	3	16,261,121	12,912,258
Administrative expenses		(16,261,121)	(12,912,258)
<b>Operating profit before tax</b>		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the year</b>		<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 2018**

	Notes	2018 £	2017 £
<b>Current assets</b>			
Trade and other receivables	6	4,262,929	2,261,714
Cash at bank and in hand		3,268,920	83
		<u>7,531,849</u>	<u>2,261,797</u>
<b>Current Liabilities</b>			
Trade and other payables	7	(7,531,848)	(2,261,796)
<b>Total assets less current liabilities</b>		<u>1</u>	<u>1</u>
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Equity</b>			
Called up share capital	9	1	1
<b>Total equity</b>		<u>1</u>	<u>1</u>

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.

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 (company number 09174621) were approved and authorised for issue by the Board on 29 November 2018 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 2018**

	Share capital	Retained earnings	Total
	£	£	£
<b>Opening balance at 1 April 2016</b>	1	-	1
Profit for the financial year	-	-	-
<b>Balance at 31 March 2017</b>	1	-	1
<b>Opening balance at 1 April 2017</b>	1	-	1
Profit for the financial year	-	-	-
<b>Balance at 31 March 2018</b>	1	-	1

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 2018**

	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Movement in receivables	6	(1,983,874)	972,357
Movement in payables	7	<u>5,270,052</u>	<u>(966,219)</u>
		3,286,178	6,138
Movement in corporation tax	8	(17,341)	(6,055)
Net cash generated by operating activities		<u>3,268,837</u>	<u>83</u>
<b>Net cash generated</b>			
Cash generated by operating activities		3,268,837	83
Movement in cash and cash equivalents		<u>3,268,837</u>	<u>83</u>
Cash and cash equivalents at 1 April		83	-
Cash and cash equivalents at 31 March		<u>3,268,920</u>	<u>83</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>3,268,920</u>	<u>83</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 2018**

**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 2018**

**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 2 (amendments) Classification and Measurement of Share-based Payment Transactions;
- IFRS 9 Financial Instruments;
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 16 Leases;
- IFRS 17 Insurance Contracts;
- Annual Improvements to IFRSs 2015 - 2017 Cycle;
- IAS 19 (amendments) Employee Benefits;
- IAS 40 (amendments) Transfers of Investment Property;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- 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 2018**

**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) and British Business Bank plc 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 2018**

**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.

	2018 £	2017 £
<b>Income</b>		
Department for Business, Energy and Industrial Strategy	12,091,836	9,109,442
British Business Bank plc	98,152	3,802,816
Northern Powerhouse Investments Ltd	2,098,787	-
Midlands Engine Investments Ltd	1,600,668	-
Cornwall & Isles of Scilly Investments Ltd	371,678	-
	<u>16,261,121</u>	<u>12,912,258</u>
<b>Expenditure</b>		
Department for Business, Energy and Industrial Strategy	135,698	74,336
British Business Bank plc	10,672,397	7,657,883
Northern Powerhouse Investments Ltd	420,154	-
Midlands Engine Investments Ltd	450,976	-
Cornwall & Isles of Scilly Investments Ltd	206,345	-
	<u>11,885,570</u>	<u>7,732,219</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.

	2018 £	2017 £
<b>Receivable</b>		
British Business Bank plc	2,103,103	269,077
British Business Finance Ltd	2,391	-
Department for Business, Energy and Industrial Strategy	939,693	1,986,582
Northern Powerhouse Investments Ltd	137,484	-
Midlands Engine Investments Ltd	674,554	-
Cornwall & Isles of Scilly Investments Ltd	371,678	-
	<u>4,228,903</u>	<u>2,255,659</u>
<b>Payable</b>		
British Business Bank plc	5,693,418	1,184,853
British Business Bank Investments Ltd	17,341	99,560
British Business Finance Ltd	-	103,814
Capital for Enterprise Limited	-	32,147
	<u>5,710,759</u>	<u>1,420,374</u>

**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2018**

<b>7 Trade and other payables</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	45,875	-
Amounts owed to group undertakings	5,710,959	1,420,174
Accrued expenses	1,775,014	841,622
	<u>7,531,848</u>	<u>2,261,796</u>

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

<b>8 Deferred taxation</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Tax on release of bonus provisions	<u>(23,396)</u>	<u>(6,055)</u>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 1 April	(6,055)	-
Tax credited to the profit and loss account	<u>(17,341)</u>	<u>(6,055)</u>
At 31 March	<u>(23,396)</u>	<u>(6,055)</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.

<b>9 Share capital</b>	<b>Nominal value</b>	<b>2018 Number</b>	<b>2018 £</b>	<b>2017 £</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>
			<u>1</u>	<u>1</u>

**10 Events after the reporting date**

As at the date of this annual report and accounts, 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 2018**

**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.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Department for Business, Energy and Industrial Strategy	12,091,836	9,109,442
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Cornwall & Isles of Scilly Investments Ltd	371,678	-
	<u>16,261,121</u>	<u>12,912,258</u>
<b>Expenditure</b>		
Department for Business, Energy and Industrial Strategy	135,698	74,336
British Business Bank plc	10,672,397	7,657,883
Northern Powerhouse Investments Ltd	420,154	-
Midlands Engine Investments Ltd	450,976	-
Cornwall & Isles of Scilly Investments Ltd	206,345	-
	<u>11,885,570</u>	<u>7,732,219</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.

	<b>Receivable</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
British Business Bank plc	2,103,103	269,077
British Business Finance Ltd	2,391	-
Department for Business, Energy and Industrial Strategy	939,693	1,986,582
Northern Powerhouse Investments Ltd	137,484	-
Midlands Engine Investments Ltd	674,554	-
Cornwall & Isles of Scilly Investments Ltd	371,678	-
	<u>4,228,903</u>	<u>2,255,659</u>
	<b>Payable</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
British Business Bank plc	5,693,418	1,184,853
British Business Bank Investments Ltd	17,341	99,560
British Business Finance Ltd	-	103,814
Capital for Enterprise Limited	-	32,147
	<u>5,710,759</u>	<u>1,420,374</u>



**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2018**

**13 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.