

Registered number  
09174621

British Business Financial Services Ltd  
Annual Report and Financial Statements  
for the year ended 31 March 2022



**British Business Financial Services Ltd**  
**Annual Report and Financial Statements**  
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**British Business Financial Services Ltd**  
**Company Information**

**Directors**

Barbara Anderson  
Neeta Atkar  
James Carter  
James Connelly  
Matthew Elderfield  
Eilish Jamieson  
Jennifer Knott  
Philip Piers  
Nathaniel Sloane  
Lord Smith of Kelvin  
David Louis Taylor

**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 2022.

**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.

In response to the economic shock to the UK caused by the Covid-19 pandemic, the Company administer the Covid-19 emergency finance schemes to assist UK businesses:

- CBILS (launched 23 March 2020);
- CLBILS (launched 20 April 2020);
- BBLS (launched 4 May 2020);
- Future Fund (launched 20 May 2020).

These schemes drove significant and material increase in the Company's operations throughout the current and previous year, although they sit on the government's balance sheet.

**Results**

The Company made £nil profit (2021: £nil) for the year.

**Dividends and reserves**

The Company paid £nil dividend (2021: £nil) during the year.

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

**Directors**

The following persons served as Directors during the year:

Barbara Anderson (appointed 13 October 2021)  
Neeta Atkar  
Jonathan Britton (resigned 27 July 2021)  
James Carter (appointed 19 April 2021)  
James Alexander Robert Connelly (appointed 4 January 2022)  
Matthew Elderfield (appointed 22 November 2022)  
Eilish Jamieson (appointed 21 November 2022)  
Jennifer Knott  
Catherine Lewis La Torre (resigned 1 October 2022)  
Jonathan Linney (resigned 7 September 2021)  
Patrick Magee (resigned 1 July 2022)  
Dharmash Mistry (resigned 20 April 2022)  
Philip Piers (appointed 1 May 2021)  
Amanda Rendle (resigned 7 September 2021)  
Nathaniel Sloane  
Lord Smith of Kelvin  
Ceri Smith (resigned 18 April 2021)

The following directors were appointed after the year end:

David Louis Taylor (appointed 1 October 2022)

**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.

**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.

**Events after the reporting date**

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

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

**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.

This report was approved by the Board on 5 December 2022 and signed on its behalf by:



Louis Taylor  
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) 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:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- 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 5 December 2022 and signed on its behalf by:



Louis Taylor  
Director

**British Business Financial Services Ltd**  
**Statement of Comprehensive Net Income**  
**for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Revenue</b>	3	61,016,834	61,833,182
Administrative expenses		(61,016,834)	(61,833,182)
<b>Operating profit before tax</b>		-	-
Tax on profit on ordinary activities	5	-	-
<b>Profit for the year after tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

The profit for the year derives from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.



**British Business Financial Services Ltd**  
**Statement of Financial Position**  
**as at 31 March 2022**

	Notes	2022 £	2021 £
<b>Current assets</b>			
Trade and other receivables	6	20,857,611	16,240,941
Cash at bank and in hand		5,573,410	11,811,328
		26,431,021	28,052,269
<b>Current Liabilities</b>			
Trade and other payables	7	(26,431,020)	(28,052,268)
<b>Net assets</b>		<b>1</b>	<b>1</b>
<b>Equity</b>			
Called up share capital	9	1	1
Retained earnings		-	-
<b>Total equity</b>		<b>1</b>	<b>1</b>

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 5 December 2022 and have been signed on its behalf by:



Louis Taylor  
Director

The notes on pages 10 to 15 form part of these financial statements.

**British Business Financial Services Ltd**  
**Statement of Changes in Equity**  
**for the year ended 31 March 2022**

	Share capital	Retained earnings	Total
	£	£	£
<b>Opening balance at 1 April 2020</b>	1	-	1
Profit for the financial year	-	-	-
<b>Balance at 31 March 2021</b>	<u>1</u>	<u>-</u>	<u>1</u>
 <b>Opening balance at 1 April 2021</b>	 1	 -	 1
Profit for the financial year	-	-	-
<b>Balance at 31 March 2022</b>	<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 10 to 15 form part of these financial statements.

**British Business Financial Services Ltd**  
**Statement of Cash Flows**  
**for the year ended 31 March 2022**

	<b>Notes</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net operating profit		-	-
Movement in receivables	6	(4,794,092)	(9,028,044)
Movement in payables	7	(1,621,248)	19,961,004
		(6,415,340)	10,932,960
Movement in deferred tax	6	177,422	(171,081)
Net cash generated by operating activities		<u>(6,237,918)</u>	<u>10,761,879</u>
<b>Net cash generated</b>			
Cash generated by operating activities		(6,237,918)	10,761,879
Movement in cash and cash equivalents		(6,237,918)	10,761,879
Cash and cash equivalents at 1 April		11,811,328	1,049,449
Cash and cash equivalents at 31 March		<u>5,573,410</u>	<u>11,811,328</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>5,573,410</u>	<u>11,811,328</u>

The notes on pages 10 to 15 form part of these financial statements.

**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**1 General information**

British Business Financial Services Ltd (the Company) is a company incorporated in the United Kingdom. The address of the registered office is Steel City House, West Street, Sheffield, S1 2GQ. The nature of the Company's operations and its principal activities are set out in the Directors' Report 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 (IFRS), interpretations issued by the IFRS Interpretations Committee 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 2022**

**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 Directors do not expect that the adoption of Standards and Interpretations in issue but not yet effective 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.

**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.

**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**3 Revenue**

Revenue is attributable to recharges to the Department for Business, Energy and Industrial Strategy (BEIS), British Business Bank plc and Northern Powerhouse Investments Limited (NPIL), Midlands Engine Investments Limited (MEIL) and Cornwall and Isles of Scilly Investments Limited (CioS) 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.

<b>5 Taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in the period</b>		
Current tax:		
UK corporation tax on profit for the period	195,146	171,081
	195,146	171,081
Deferred tax:		
Origination and reversal of timing differences	(195,146)	(171,081)
	(195,146)	(171,081)
 Tax on profit on ordinary activities	 -	 -

**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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	-	-
Standard rate of corporation tax in the UK	19%	19%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	-	-
Effects of:		
Expenses not deductible for tax purposes	195,146	171,081
Current tax charge for the period	195,146	171,081

**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

<b>6 Trade and other receivables</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade receivables	6,278,155	5,753,407
Amounts owed by group undertakings	6,116,936	2,838,104
Amounts owed by related parties	8,444,796	7,454,284
Deferred tax asset (see note 8)	17,724	195,146
	<u>20,857,611</u>	<u>16,240,941</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 as they are short term in nature.

<b>7 Trade and other payables</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	2,716,602	432,638
Amounts owed to group undertakings	13,646,585	15,877,190
Accrued expenses	10,067,833	11,742,440
	<u>26,431,020</u>	<u>28,052,268</u>

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

<b>8 Deferred taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Tax on release of bonus provisions	<u>(17,724)</u>	<u>(195,146)</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 April	(195,146)	(24,065)
Tax credited to the profit and loss account	177,422	(171,081)
At 31 March	<u>(17,724)</u>	<u>(195,146)</u>

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

**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

<b>9 Share capital</b>	<b>Nominal value</b>	<b>2022 Number</b>	<b>2022 £</b>	<b>2021 £</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	1	1

**10 Events after the reporting date**

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

**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>2022 £</b>	<b>2021 £</b>
<b>Income</b>		
Department for Business, Energy and Industrial Strategy	59,756,581	59,118,811
Northern Powerhouse Investments Ltd	4,000	936,770
Midlands Engine Investments Ltd	556,000	1,000,000
Cornwall & Isles of Scilly Investments Ltd	117,252	121,895
East Midland Early Growth Fund	116,000	-
British Technology Investments Ltd	841,667	-
	<u>61,391,500</u>	<u>61,177,476</u>
<b>Expenditure</b>		
British Business Bank plc	3,799,158	9,441,427
Northern Powerhouse Investments Ltd	964,835	1,163,827
Midlands Engine Investments Ltd	870,349	1,044,989
Cornwall & Isles of Scilly Investments Ltd	25,654	24,850
	<u>5,659,996</u>	<u>11,675,093</u>

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



**British Business Financial Services Ltd**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2022**

**11 Related party transactions (continued)**  
**Amounts outstanding at the year end**

As at the balance sheet date, British Business Financial Services Ltd had receivables and payables with the following group companies.

	<b>Receivable</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
British Business Bank plc	5,000,000	2,210,746
British Business Finance Ltd	681,652	436,054
British Business Investments Ltd	149,447	95,652
British Patient Capital Ltd	149,447	95,652
Start Up Loans Company	136,389	-
Department for Business, Energy and Industrial Strategy	7,767,544	5,032,983
Northern Powerhouse Investments Ltd	4,000	800,000
Midlands Engine Investments Ltd	556,000	1,000,000
Cornwall & Isles of Scilly Investments Ltd	117,252	121,301
	<u>14,561,731</u>	<u>9,792,388</u>

  

	<b>Payable</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
British Business Bank plc	13,503,832	15,360,826
British Business Investments Ltd	-	137,508
Start Up Loans Company	142,753	378,856
	<u>13,646,585</u>	<u>15,877,190</u>

**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.