

Registered number
09174621

British Business Financial Services Ltd
Annual Report and Financial Statements
for the year ended 31 March 2023

THURSDAY



ACICM3GI

A04

14/12/2023

#177

COMPANIES HOUSE

British Business Financial Services Ltd
Annual Report and Financial Statements
Contents

	Page
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	4
Statement of Comprehensive Net Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

British Business Financial Services Ltd
Company Information

Directors

Barbara Anderson
Neeta Atkar
James Carter
James Connelly
Matthew Elderfield
David Hourican
Eilish Jamieson
Jennifer Knott
Nathaniel Sloane
David Louis Taylor
Stephen Welden

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 2023.

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

Programmes administered by the Company include the Enterprise Finance Guarantee scheme, which facilitated lending to viable smaller businesses that would otherwise have been 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 administers the Covid-19 emergency finance response schemes to assist UK businesses:

- CBILS - Coronavirus Business Interruption Loan Scheme (launched 23 March 2020);
- CLBILS - Coronavirus Large Business Interruption Loan Scheme (launched 20 April 2020);
- BBLS - Bounce Back Loan Scheme (launched 4 May 2020);
- Future Fund (launched 20 May 2020);
- RLS - Recovery Loan Scheme (launched 6 April 2021).

These schemes drove significant and material increase in the Company's operations during the previous few years, although they sit on the government's balance sheet.

With the exception of RLS these schemes are closed for applications. The RLS scheme was due to close in July 2022 but has been extended and is now scheduled to close in June 2024.

Results

The Company made £nil profit (2022: £nil) for the year.

Dividends and reserves

The Company paid £nil dividend (2022: £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
Neeta Atkar
James Carter
James Alexander Robert Connelly
Matthew Elderfield (appointed 22 November 2022)
David Hourican (appointed 5 December 2022)
Eilish Jamieson (appointed 21 November 2022)
Jennifer Knott
Catherine Lewis La Torre (resigned 1 October 2022)
Patrick Magee (resigned 1 July 2022)
Dharmash Mistry (resigned 20 April 2022)
Nathaniel Sloane
Lord Smith of Kelvin (resigned 4 October 2023)
David Louis Taylor (appointed 1 October 2022)
Stephen Welden (appointed 5 October 2023)

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.

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 30 November 2023 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 30 November 2023 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 2023

	Notes	2023 £	2022 £
Revenue	3	55,188,907	61,016,834
Administrative expenses		(55,188,907)	(61,016,834)
Operating profit before tax		-	-
Tax on profit on ordinary activities		-	-
Profit for the year after tax		-	-
Total comprehensive income for the year		-	-

The profit for the year derives from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

British Business Financial Services Ltd
Statement of Financial Position
as at 31 March 2023

	Notes	2023 £	2022 £
Current assets			
Trade and other receivables	5	16,123,164	20,857,611
Cash at bank and in hand		6,791,686	5,573,410
		<u>22,914,850</u>	<u>26,431,021</u>
Current Liabilities			
Trade and other payables	6	(22,914,849)	(26,431,020)
Net assets		<u>1</u>	<u>1</u>
Equity			
Called up share capital	7	1	1
Retained earnings		-	-
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 30 November 2023 and have been signed on its behalf by:



Louis Taylor
Director

The notes on pages 9 to 13 form part of these financial statements.

British Business Financial Services Ltd
Statement of Changes in Equity
for the year ended 31 March 2023

	Share capital	Retained earnings	Total
	£	£	£
Opening balance at 1 April 2021	1	-	1
Profit for the financial year	-	-	-
Balance at 31 March 2022	<u>1</u>	<u>-</u>	<u>1</u>
 Opening balance at 1 April 2022	 1	 -	 1
Profit for the financial year	-	-	-
Balance at 31 March 2023	<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 9 to 13 form part of these financial statements.

British Business Financial Services Ltd
Statement of Cash Flows
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net operating profit		-	-
Movement in receivables	5	4,734,447	(4,794,092)
Movement in payables	6	(3,516,171)	(1,621,248)
		1,218,276	(6,415,340)
<i>Movement in deferred tax</i>		-	177,422
Net cash generated by operating activities		<u>1,218,276</u>	<u>(6,237,918)</u>
Movement in cash and cash equivalents		<u>1,218,276</u>	<u>(6,237,918)</u>
Cash and cash equivalents at 1 April		<u>5,573,410</u>	<u>11,811,328</u>
Cash and cash equivalents at 31 March		<u>6,791,686</u>	<u>5,573,410</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>6,791,686</u>	<u>5,573,410</u>

The notes on pages 9 to 13 form part of these financial statements.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2023

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.

On 7th February 2023, the Prime Minister announced a major machinery of government change which redistributed the activities of several existing government departments, including BEIS, and created three new departments, the Department for Business and Trade (DBT), the Department for Science, Innovation and Technology, and the Department for Energy Security and Net Zero. British Business Financial Services Ltd has been designated to the Department for Business and Trade with accounting officer responsibilities formally transferred from 1st April 2023. Any reference to DBT in the financial statements also infers reference to BEIS.

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 and Trade (previously 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 2023

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 (IFRS 17 Insurance Contracts) will have a material impact on the financial statements of the Company in future years. The Company are carrying out an impact assessment with regard to the issuance of IFRS S1 and IFRS S2 Sustainability Standards.

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.

Current 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 2023

3 Revenue

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

5 Trade and other receivables	2023	2022
	£	£
Trade receivables	25,863	6,278,155
Amounts owed by group undertakings	5,933,917	6,116,936
Amounts owed by related parties	9,645,661	8,444,796
Other receivables	<u>517,723</u>	<u>17,724</u>
	<u>16,123,164</u>	<u>20,857,611</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.

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2023

6 Trade and other payables	2023	2022
	£	£
Amounts falling due within one year		
Trade creditors	1,344,933	2,716,602
Amounts owed to group undertakings	13,413,220	13,646,585
Accrued expenses	8,156,696	10,067,833
	<u>22,914,849</u>	<u>26,431,020</u>

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

7 Share capital	Nominal value	2023 Number	2023 £	2022 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	1	1

8 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.

9 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.

	2023	2022
	£	£
Income		
Department for Business and Trade	50,900,301	59,756,581
British Business Bank plc	7,487	-
Northern Powerhouse Investments Ltd	2,496,000	4,000
Midlands Engine Investments Ltd	1,244,000	556,000
Cornwall & Isles of Scilly Investments Ltd	2,812	117,252
East Midland Early Growth Fund	-	116,000
British Technology Investments Ltd	500,000	841,667
	<u>55,150,600</u>	<u>61,391,500</u>
Expenditure		
British Business Bank plc	8,064,919	3,799,158
Northern Powerhouse Investments Ltd	1,026,252	964,835
Midlands Engine Investments Ltd	1,486,820	870,349
Cornwall & Isles of Scilly Investments Ltd	144,822	25,654
	<u>10,722,813</u>	<u>5,659,996</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 2023

9 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.

	Receivable	
	2023	2022
	£	£
British Business Bank plc	5,000,526	5,000,000
British Business Finance Ltd	648,875	681,652
British Business Investments Ltd		
	142,258	149,447
British Patient Capital Ltd	142,258	149,447
Start Up Loans Company	-	136,389
Department for Business and Trade (previously Department for Business, Energy and Industrial Strategy)	5,225,597	7,767,544
Northern Powerhouse Investments Ltd	2,500,000	4,000
Midlands Engine Investments Ltd	1,800,000	556,000
Cornwall & Isles of Scilly Investments Ltd	120,064	117,252
	<u>15,579,578</u>	<u>14,561,731</u>

	Payable	
	2023	2022
	£	£
British Business Bank plc	13,413,220	13,503,832
Start Up Loans Company	-	142,753
	<u>13,413,220</u>	<u>13,646,585</u>

10 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 of Business and Trade (previously 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.*