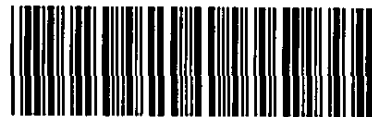


Registered number
09174621

British Business Financial Services Ltd
Directors' Report and Financial Statements
for the year ended 31 March 2016

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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
Colin Glass
Teresa Graham
Caroline Green
Patrick Magee
Christina McComb
Keith Morgan
Ceri Smith

Registered office

Foundry House
3 Millsands
Sheffield
S3 8NH

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 2016

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), formerly the Department for Business, Innovation and Skills (BIS). 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;
- the Enable Guarantee programme which encourages banks to lend more to small businesses by reducing the capital they need to hold in order to support such lending;
- the Enable Funding programme which provides finance for lenders to fund small businesses' asset finance purchases.

Results

The Company made no profit or loss during the year. (2015 - £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.

Ronald Emerson (Resigned 30 September 2016)	
Jonathan Britton	Patrick Magee
Christopher Fox	Christina McComb
Colin Glass	Keith Morgan
Teresa Graham	Ceri Smith
Caroline Green	Maria Turner (Resigned 4 May 2015)

Neeta Atkar was appointed a director on 5 July 2016

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

This report was approved by the board on 8 November 2016 and signed on its behalf by



C N 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 8 November 2016 and signed on its behalf by



C N Fox
Director

British Business Financial Services Ltd
Income Statement
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Revenue	3	9,866,857	5,025,954
Administrative expenses		(9,866,857)	(5,025,954)
Net operating profit before tax		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	5	-	-
Profit for the period		<u>-</u>	<u>-</u>

All operations are continuing

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

The Company was incorporated on 13 August 2014 and commenced trading on 1 November 2014. As a result comparative figures for the period ending 31 March 2015 reflect five months of operating activity.

The notes on pages 9 to 14 form part of these financial statements

British Business Financial Services Ltd
Statement of Financial Position
as at 31 March 2016

	Notes	2016 £	2015 £
Current assets			
Trade and other receivables	6	3,228,016	5,025,955
Current Liabilities			
Trade and other payables	7	(3,228,015)	(5,025,954)
Net assets		<u>1</u>	<u>1</u>
Equity			
Called up share capital	8	1	1
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 (company number 09174621) were approved and authorised for issue by the board on 08 November 2016 and have been signed on its behalf by:



C N Fox
 Director

The notes on pages 9 to 14 form part of these financial statements.

British Business Financial Services Ltd
Statement of Changes In Equity
for the year ended 31 March 2016

	Share capital	Retained earnings	Total
	£	£	£
Opening balance at 13 August 2014	-	-	-
Issue of shares	1	-	1
Balance at 31 March 2015	<u>1</u>	<u>-</u>	<u>1</u>
 Opening balance at 1 April 2015	 1	 -	 1
 Balance at 31 March 2016	 <u>1</u>	 <u>-</u>	 <u>1</u>

British Business Financial Services Ltd
Statement of Cash Flows
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net operating profit		-	-
Movement in receivables	6	1,797,939	(5,025,955)
Movement in payables	7	(1,797,939)	5,025,954
		-	(1)
Net cash from operating activities		-	(1)
Cash flows from financing activities			
Proceeds from the issue of shares		-	1
Net cash from financing activities		-	1
Net cash generated			
Cash used in operating activities		-	(1)
Cash generated by financing activities		-	1
Movement in cash and cash equivalents		-	-
Cash and cash equivalents at 1 April		-	-
Cash and cash equivalents at 31 March		-	-
Cash and cash equivalents comprise		-	-

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2016

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 2016

2 Summary of significant accounting policies (continued)

Adoption of new and revised Standards

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

IAS 10 (amendments), Defined Benefit Plans: Employee Contributions. The Company is not the principal employer in any defined benefit scheme and therefore, the above changes will not have any effect.

Annual Improvements to IFRS's 2010-2012 cycle and 2011-2013 cycle. As part of its annual improvements cycles the International Accounting Standards Board amended various standards primarily with a view to removing inconsistencies and clarifying wording. The adoption of these amendments did not have any material impact on the Company.

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 9 Financial Instruments,
- IFRS 10, IFRS 12 and IAS 28 (amendments) Investment Entities: Applying the Consolidation Exception,
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations,
- IFRS 14 Regulatory Deferral Accounts,
- IFRS 15 Revenue from Contracts with Customers,
- IFRS 16 Leases,
- Annual Improvements to IFRSs 2012 - 2014 Cycle,
- IAS 1 (amendments) Presentation of Financial Statements,
- IAS 7 (amendments) Statement of Cash Flows,
- IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses;
- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation;
- IAS 16 and IAS 41 (amendments) Bearer Plants,
- IAS 27 (amendments) Equity Method in Separate Financial Statements

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 periods.

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 2016

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 2016

5 Taxation	2016	2015
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	-	-

6 Trade and other receivables	2016	2015
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,221,940	5,025,955
Other receivables	6,076	-
	<u>3,228,016</u>	<u>5,025,955</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost

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

7 Trade and other payables	2016	2015
	£	£
Amounts falling due within one year		
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,284,184	3,988,546
Accrued expenses	943,831	1,037,408
	<u>3,228,015</u>	<u>5,025,954</u>

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

8 Share capital	2016	2016	2015
	Number	£	£
Allotted, called up and fully paid			
Ordinary shares of £1 each	1	<u>1</u>	<u>1</u>

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2016

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 this company

	2016 £	2015 £
Income		
Department for Business, Energy and Industrial Strategy	9,042,249	5,025,955
British Business Bank plc	824,608	-
	<u>9,866,857</u>	<u>5,025,955</u>
Expenditure		
Department for Business, Energy and Industrial Strategy	96,336	-
British Business Bank plc	6,263,689	3,037,540
British Business Bank Investments Ltd	99,560	39,740
British Business Finance Ltd	75,003	28,603
	<u>6,534,588</u>	<u>3,105,883</u>

No Minister, 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 had debts outstanding and receivable with the following group companies

	Receivable	
	2016 £	2015 £
British Business Bank plc	3,221,940	824,608
Department for Business, Energy and Industrial Strategy	-	4,201,347
	<u>3,221,940</u>	<u>5,025,955</u>

	Payable	
	2016 £	2015 £
British Business Bank plc	2,046,941	3,900,400
British Business Bank Investments Ltd	99,560	39,740
British Business Finance Ltd	103,606	28,603
Capital for Enterprise Limited	32,077	19,803
	<u>2,284,184</u>	<u>3,988,546</u>

British Business Financial Services Ltd
Notes to the Financial Statements
for the year ended 31 March 2016

10 Events after the reporting date

The result of the referendum held on 23 June 2016 was in favour of the UK leaving the European Union. A reasonable estimate of the financial effect of this event on the company cannot be made. This is a non-adjusting event.

On 14 July 2016, following a machinery of Government change it was announced that the British Business Bank's sponsoring department, the Department for Business, Innovation and Skills, is having its responsibilities changed. The sponsor department for the British Business Bank is now the Department for Business, Energy and Industrial Strategy.

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

11 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 department's website at GOV.UK. Copies of the group financial statements of the British Business Bank plc are available from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ.