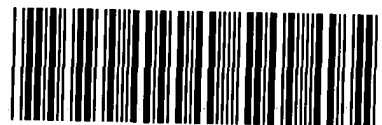


Company Registration No. 08714352 (England and Wales)

BFS FUNDING MANAGERS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

THURSDAY



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BFS FUNDING MANAGERS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | M Hughes MBE R Mason D Edwards |
| Secretary | P Simpson |
| Company number | 08714352 |
| Registered office | Lee House 90 Great Bridgewater Street Manchester M1 5JW |
| Auditor | RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF |
| Bankers | National Westminster Bank PLC 11 Spring Gardens Manchester M60 2DB |

BFS FUNDING MANAGERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activities

The principal activity of the company continued to be that of provision of a professional and service focused alternative business finance option for businesses that have been unable to obtain funding through a mainstream lender.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Hughes MBE
R Mason
D Edwards

Auditor

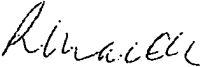
In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



R Mason
Director

Date: 22/7/2019

BFS FUNDING MANAGERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFS FUNDING MANAGERS LIMITED

Opinion

We have audited the financial statements of BFS Funding Managers Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFS FUNDING MANAGERS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in prepare the directors report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester

M3 3HF

23/7/19

BFS FUNDING MANAGERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

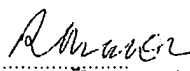
| | | 2019 | 2018 |
|---------------------------------------|--------------|-------------|-------------|
| | Notes | £000 | £000 |
| Turnover | 3 | 153 | 151 |
| Staff costs | 4 | (76) | (77) |
| Other operating expenses | | (68) | (58) |
| | | <hr/> | <hr/> |
| Operating profit | | 9 | 16 |
| Interest payable and similar expenses | 6 | (2) | (2) |
| | | <hr/> | <hr/> |
| Profit before taxation | | 7 | 14 |
| Tax on profit | 7 | (2) | (1) |
| | | <hr/> | <hr/> |
| Profit for the financial year | | <u>5</u> | <u>13</u> |

BFS FUNDING MANAGERS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

| | Notes | 2019 £000 | 2018 £000 | 2018 £000 |
|--|-------|--------------|--------------|--------------|
| Current assets | | | | |
| Debtors | 10 | 130 | 94 | |
| Cash at bank and in hand | | 35 | 96 | |
| | | <u>165</u> | <u>190</u> | |
| Creditors: amounts falling due within one year | 11 | (94) | (126) | |
| Net current assets | | | 71 | 64 |
| Creditors: amounts falling due after more than one year | 12 | | (37) | (35) |
| Net assets | | | <u>34</u> | <u>29</u> |
| Capital and reserves | | | | |
| Called up share capital | 13 | - | - | - |
| Profit and loss reserves | 14 | 34 | 29 | 29 |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 22/7/19 and are signed on its behalf by:


 R Mason
 Director

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

BFS Funding Managers Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Lee House, 90 Great Bridgewater Street, Manchester, M1 5JW.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

BFS Funding Managers Limited is a wholly owned subsidiary of The Growth Company Limited and the results of BFS Funding Managers Limited are included in the consolidated financial statements of The Growth Company Limited which are available from Lee House, 90 Bridgewater Street, Manchester, M1 1JW.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Income

Income is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Fee income comprises management fees, arrangement fees and annual monitoring fees, and is recognised on an accruals basis once that fee becomes due. Where there is any uncertainty surrounding the recoverability of income, adequate provisions are made.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include group and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including other creditors and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The directors consider there are no estimates, judgements and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3 Income and other revenue

An analysis of the company's turnover is as follows:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Income and other revenue | | |
| Rendering of services | 153 | 151 |
| | <u>153</u> | <u>151</u> |
| | 2019 £000 | 2018 £000 |
| Income analysed by geographical market | | |
| United Kingdom | 153 | 151 |
| | <u>153</u> | <u>151</u> |

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2019 Number | 2018 Number |
|----------------------|----------------|----------------|
| Administrative staff | 3 | 3 |
| | <u>3</u> | <u>3</u> |

Their aggregate remuneration comprised:

| | 2019 £000 | 2018 £000 |
|--------------------|--------------|--------------|
| Wages and salaries | 76 | 77 |
| | <u>76</u> | <u>77</u> |

During the year, no directors received any emoluments (2018: £Nil).

5 Auditor's remuneration

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Fees payable to the company's auditor and its associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 4 | 4 |
| | <u>4</u> | <u>4</u> |
| For other services | | |
| All other non-audit services | 1 | 1 |
| | <u>1</u> | <u>1</u> |

6 Interest payable and similar expenses

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Interest payable to group undertakings | 2 | 2 |
| | <u>2</u> | <u>2</u> |

7 Taxation

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Current tax | | |
| Adjustments in respect of prior periods | 2 | 1 |
| | <u>2</u> | <u>1</u> |

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Profit before taxation | 7 | 14 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.25%) | 1 | 3 |
| Adjustments in respect of prior years | 2 | 1 |
| Exempt activities | (1) | (3) |
| Taxation charge for the year | 2 | 1 |

8 Fixed asset investments

| | Notes | 2019 £ | 2018 £ |
|-----------------------------|-------|-----------|-----------|
| Investments in subsidiaries | 9 | 200 | 200 |

9 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct Indirect |
|----------------------------------|-------------------|---|----------------------|---------------------------|
| BFS NPIF General Partner Limited | England and Wales | General partner in partnership which provides loans | Ordinary | 100.00 - |
| BFS NWF General Partner Limited | England and Wales | General partner in partnership which provides loans | Ordinary | 100.00 - |

10 Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------------|--------------|--------------|
| Amounts falling due within one year: | | |
| Corporation tax recoverable | 1 | - |
| Amounts owed by group undertakings | 123 | 89 |
| Other debtors | 6 | 5 |
| | 130 | 94 |

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 79 | 106 |
| Other creditors | 3 | - |
| Accruals and deferred income | 12 | 20 |
| | <u>94</u> | <u>126</u> |

12 Creditors: amounts falling due after more than one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 37 | 35 |

Subordinated loan

The company has a subordinated loan of £50,000 from its immediate parent. The company is being charged 0% interest on this loan. In line with the requirements set out in FRS 102, section 11.15-20, this loan is being amortised in the financial statements using an effective rate of interest, being 6%.

Amounts included above which fall due after five years are as follows:

| | | |
|-----------------------------------|----|----|
| Payable other than by instalments | 37 | 35 |
|-----------------------------------|----|----|

13 Share capital

| | 2019 £ | 2018 £ |
|-----------------------------|-----------|-----------|
| Ordinary voting share of £1 | 1 | 1 |

Ordinary share rights

The Company's ordinary shares, which carry no voting right to fixed income, each carry the right to one vote at general meetings of the Company.

BFS FUNDING MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

15 Related party transactions

At the year end, the company was owed £8k (2018: £5k) by North West Business Finance Limited, the limited partner in NWF (Microloans) Limited Partnership. The company charged North West Business Finance Limited, fees and recharges of £8k (2018: £5k).

The company is related to NPIF NW (Microfinance) Limited Partnership by virtue of its subsidiary (BFS NPIF General Partner Limited) being a partner in the limited partnership. At the year end, the company was owed £97k (2017: £78k) by NPIF NW (Microfinance) Limited Partnership via BFS NPIF General Partner Limited. The company charged BFS NPIF General Partner Limited fees of £97k (2018: £137k).

The company is related to NWF (Microloans) Limited Partnership by virtue of its subsidiary (BFS NWF General Partner Limited) being a partner in the limited partnership. At the year end, the company was owed £14k (2018: £4k) by NWF (Microloans) Limited Partnership via BFS NWF General Partner Limited. The company charged BFS NWF General Partner Limited fees of £18k (2018: £16k).

The company was recharged £104k (2018: £106k) by The Enterprise Fund Limited, the immediate parent of the company. At the year end, the company owed £104k (2018: £106k) to The Enterprise Fund Limited.

The company was recharged £9k (2018: £9k) by The Growth Company Limited, the ultimate parent of the company. At the year end, the company was owed £9k (2018: £9k) by The Growth Company Limited.

16 Controlling party

The immediate parent company is The Enterprise Fund Limited (company number 04460763), a company registered in England and Wales, by virtue of its 100% holding in the voting share capital.

The Growth Company Limited is the ultimate parent and is the smallest and the largest group for which consolidated accounts including BFS Funding Managers Limited are prepared. The consolidated accounts of The Growth Company Limited are available from its registered office at Lee House, 90 Great Bridge Street, Manchester, M1 5JW.