



We take a different view

(P.S. It's great up North)



2020 // 2021

THE YEAR AT A GLANCE



525

Client deals



286

New UK businesses created



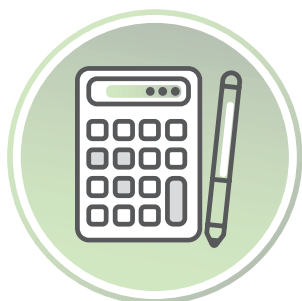
£17.5m

Of client investment



3,524

UK jobs created or safeguarded



£70m

Added to the region's economy
(£270m in the last 9 years)



80%

Of total lending within the lowest
35% of LSOA's in the Index of
Multiple Deprivation (IMD)

A note from our CHAIRMAN & CHIEF EXECUTIVE



Malcolm Lynch
Chairman

THE BUSINESS ENTERPRISE FUND (BEF) has had much to deal with in this most exceptional of years. The global pandemic has touched everyone and the impacts upon the economy do not need repeating here.

BEF is a social enterprise that exists to support the economic wellbeing of the regions it serves, using finance in an innovative way to change communities for the better. Therefore, BEF's work this year, has been especially needed in the support of those businesses most impacted by Covid-19 and the ensuing economic devastation of the numerous lockdowns.

The board of BEF, in conjunction with the executive team, decided early on to continue in its mission at pace, and that is exactly what has happened. Being grandfathered onto the CBILS scheme in March meant that we were at the vanguard of delivering vital finance to the neediest SMEs, in the neediest areas of the UK from the very get go.

“ CONSEQUENTLY, BEF HAS NOT ONLY LOANED RECORD LEVELS OF FINANCE, BUT IT HAS SUPPORTED RECORD LEVELS OF BUSINESSES IN 2020/21 ACROSS THE WHOLE OF THE UK.

The team at BEF have loaned just under £5m to Micro and SME businesses through its contract with Start Up Loans providing 344 loans to early stage and start-up businesses.

In the year we provided just under £11m through various sources of capital available to us supported by the Government guarantees, incorporating £3.6m of the Northern Powerhouse Investment Fund, in partnership with British Business Bank.

As at the yearend our total debtor book stood at nearly £20m. Through our previous research we can prove that for every pound we invest a further £4 are added to the economy of the regions we serve.

During 2020/21 we also secured additional commercial finance through our long and fruitful partnership with Unity Trust Bank and Big Society Capital. This was a critical lifeline for businesses during the pandemic.

These record levels of support for business were all delivered, as with everyone else from the country, whilst working from home – a new experience for everyone at BEF.

We want to pay tribute to not only our incredibly dedicated staff, but also to our key stakeholders, The West and North Yorkshire Chamber of Commerce, our funding partners Unity Trust Bank and Big Society Capital, British Business Bank with whom we partnered on CBILS, Start Up Loans and the Northern Powerhouse Investment Fund.



Steve Waud
Chief Executive

AS A CEO YOU are required to plan for the worst and hope for the best, ensuring you have sufficient resources to meet the challenges that come your way. Clearly this has been a particularly challenging year, not because of the disruption to business and the impacts upon us personally, but because we were placed front and centre in this crisis.

The 2008 financial crisis was the only gauge we had for what might come, but it soon became apparent that we had a whole new set of issues to deal with.

“ THE DEDICATION OF OUR STAFF, THEIR PROFESSIONALISM AND SKILL ENABLED US TO NAVIGATE A COURSE THAT NOT ONLY HELPED THE INTERESTS OF OUR COMPANIES, BUT MORE IMPORTANTLY SUPPORTED THE NEEDIEST OF BUSINESSES.

At one point during the pandemic, we had over 3,500 applications to deal with – a normal level being around 50 or so. But we worked at it, and we recognised that without our help some of those businesses would fail with whole families and communities being impacted by the loss of jobs.

Our board were fantastic in their support, affirming our mission to do what was necessary to help businesses and communities. I am proud and delighted that we achieved exactly that.

My chair has paid tribute to our key stakeholders, so I will pay tribute to our clients, who when things were almost beyond their control, found the resilience to persist and I am glad we were there to help.

OUR IMPACT

$$\begin{array}{rcl} \text{BEF Capital} & & \text{Start-up Loans} & & \text{NPIF} \\ \text{£9.0m} & + & \text{£4.8m} & + & \text{£3.7m} \\ & & = & & \\ & & \text{£17.5m} & & \end{array}$$

2020 // 2021

6,300

Hours of investor readiness support

9 YEAR TOTAL

3,480

Client deals

£270m

Added to the region's
economy

£77.4m

Client investment

1,428

New UK
businesses created

7,885

UK jobs created or
safeguarded

£464k

Granted to organisations
matching our aims and
objectives including
charities

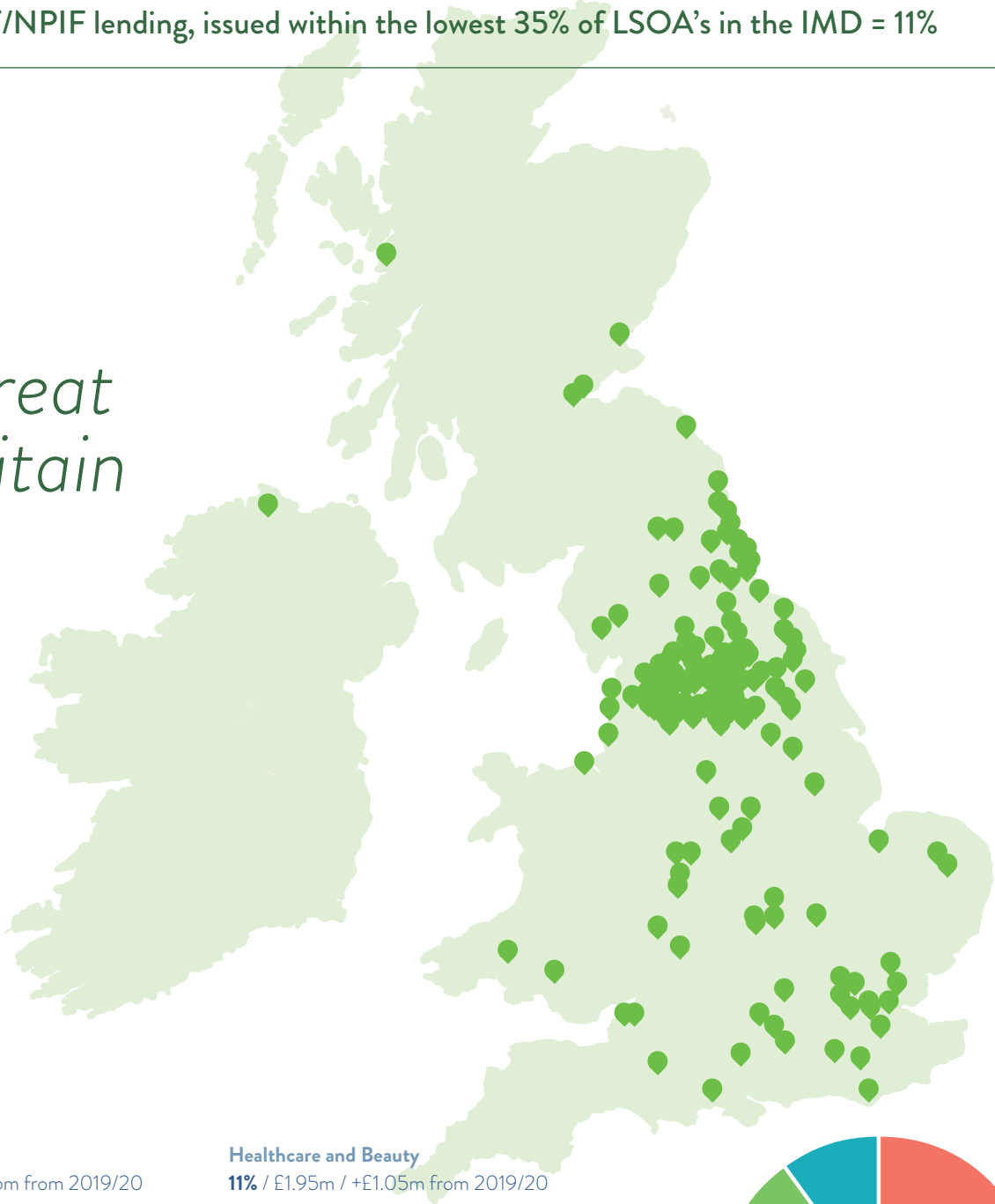
WHERE WE INVEST

80% (£14.1m) of our lending was within the most deprived areas of the UK.

435 loans were issued within the lowest 35% of LSOA's in the Index of Multiple Deprivation (IMD), 103 of the 435 loans (24%) were BEF Capital.

BEF/NPIF lending, issued within the lowest 35% of LSOA's in the IMD = 11%

Great
Britain



Business Services

14% / £2.47m / -£0.06m from 2019/20

Construction

26% / £4.64m / +£2.99m from 2019/20

Hospitality

12% / £2.09m / +£680k from 2019/20

Logistics

4% / £709k / +£266k from 2019/20

Manufacturing

8% / £1.38m / -£210k from 2019/20

Healthcare and Beauty

11% / £1.95m / +£1.05m from 2019/20

Creative

2% / £451k / -£301k from 2019/20

Education

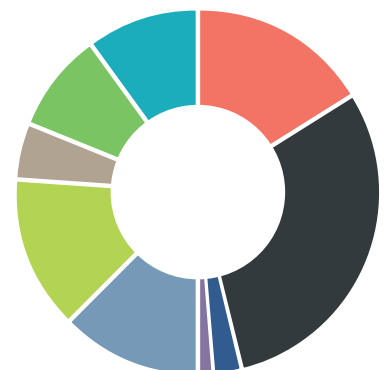
1% / £243k / -£157k from 2019/20

Retail

9% / £1.51m / +£290k from 2019/20

Social Enterprise

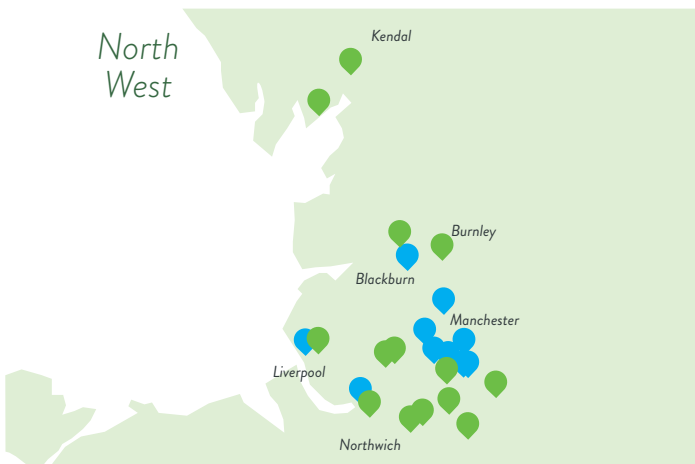
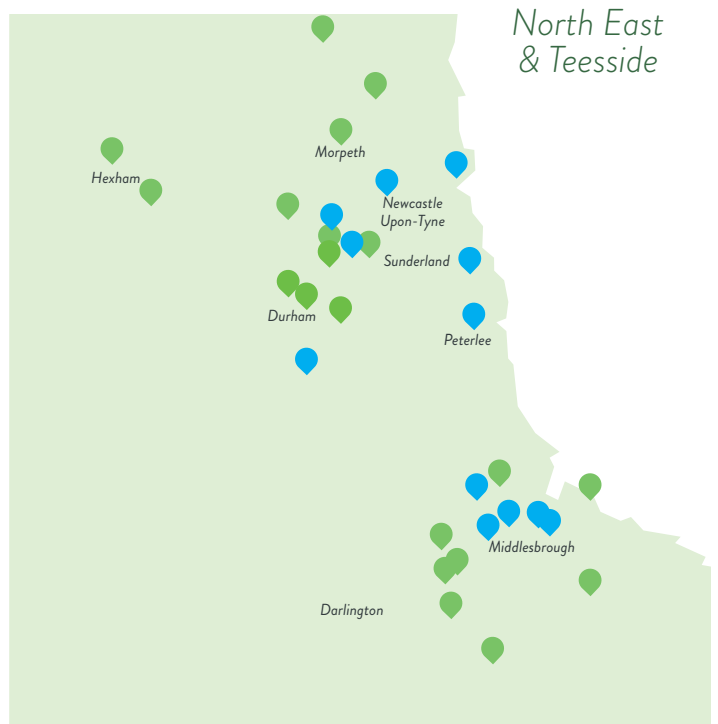
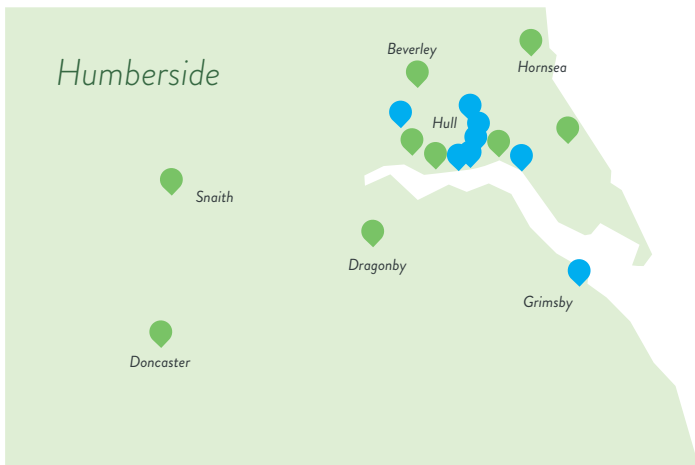
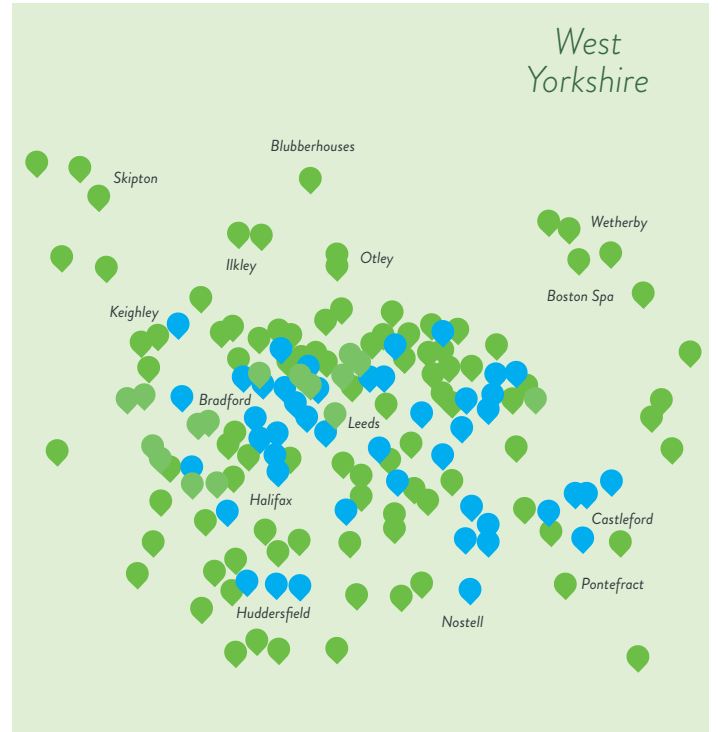
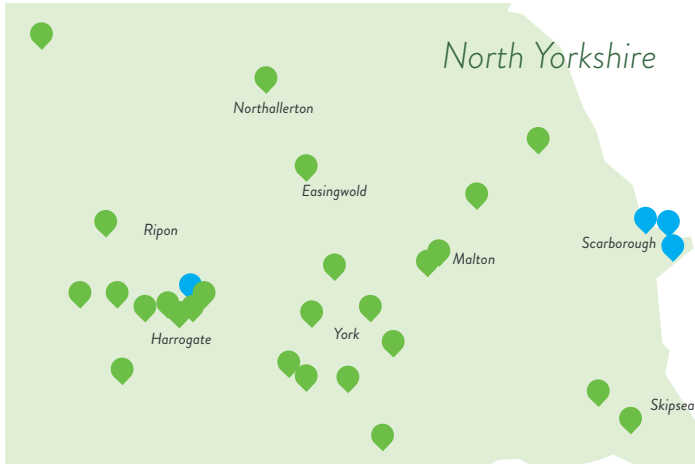
0% / £0 / = to 2019/20



It's great

UP NORTH

(Levelling up)

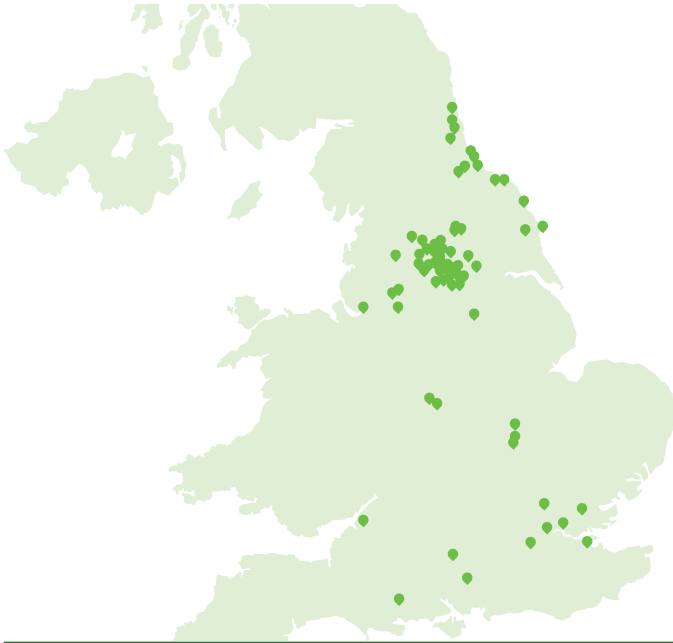


Blue pins denote the LSOAs

Impact SUMMARY

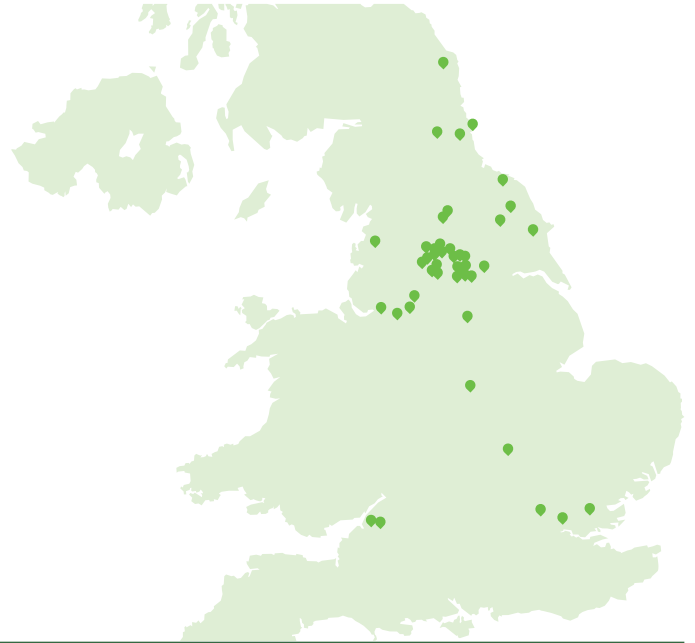
YOUNGER ENTREPRENEURS (18 - 35)

Total lending £3.64m (20%)



FEMALE ENTREPRENEURS

Total lending £4.25m (25%)



AGE OF BORROWERS

RANGE	QUANTITY	VALUE	% OF QUANTITY	% CHANGE FROM 2019/20
18 – 24	31	£386k	2	-1
25 – 34	134	£2.68m	15	-4
35 – 44	169	£5.69m	32	-6
45 – 54	104	£4.75m	27	+15
55 – 64	65	£2.29m	13	-2
65+	13	£817k	5	+1



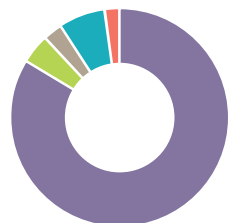
GENDER OF BORROWERS

	TOTAL £M	% OF TOTAL	% CHANGE FROM 2019/20
FEMALE	4.5	25	-2
MALE	13	75	+2












ETHNICITY OF BORROWERS

	TOTAL	% OF TOTAL	% CHANGE FROM 2019/20
WHITE BRITISH	399	76	+7
ANY OTHER WHITE BACKGROUND	21	4	0
MIXED/MULTIPLE ETHNIC GROUPS	13	2.5	-0.1
ASIAN/ASIAN BRITISH	33	6.3	-3.1
BLACK/AFRICAN/CARIBBEAN/BLACK BRITISH	11	2	-0.8











Sustainable DEVELOPMENT GOALS

In 2018 we announced our commitment to adopt a long-term plan to support the United Nations Sustainable Development Goals (UNSDGs). The UNSDGs were developed in 2016 to tackle the root causes of poverty and unite us together to make a more positive change for both people and planet, creating an improved environment for future generations.

GOAL	UN DEFINITION	HOW WE APPLY THE GOAL	MEASURE	£ OF TOTAL LENDING 2020/2021	% OF TOTAL LENDING 2020/2021	2022 TARGET
	End poverty in all its forms everywhere	We continue to work in some of the most challenging and economically and socially deprived communities in the country and now support businesses across the North of England. By supporting the lowest income communities and most disadvantaged areas, we aim to alleviate poverty in the communities we serve	Volume of lending into lower layer super output areas (LSOAs) and areas with the highest indices of multiple deprivation (IMDs)	£14.1m	80%	5% year-on-year increase
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	There is a recognition that the poorest families also have the poorest diets and nutrition. By seeking to alleviate poverty we improve families' nutrition	Volume of lending into lower layer super output areas (LSOAs) and areas with the highest indices of multiple deprivation (IMDs)	£14.1m	80%	5% year-on-year increase
	Ensure healthy lives and promote well-being for all at all ages	We increased our contribution to this goal by 32% – more than doubling our lending. We achieved this by actively supporting organisations that improve the health and well-being of individuals within the communities they serve	Business type and description	£3.8m	21%	10% of all lending will be to these types of businesses
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We supported SMEs that deliver learning opportunities to individuals and communities, ensuring education is accessible to all and individual needs are met. We continue to support charities, SMEs, universities, schools and colleges that promote and develop enterprise education	Continued monetary support to charities that promote this goal at local level e.g. One In A Million, alongside lending to a proportion of SMEs that lead on this goal through their products or services	£1.46m	8%	To reach and maintain levels of 10% of all deals
	Achieve gender equality and empower all women and girls	Women-led businesses are a vital part of our communities and economy. We continue to actively promote funding support to women and are playing an active role in addressing the funding gap to this demographic	Gender of main business owner	£4.5m	25%	To maintain current levels; > 20% of all the deals we do with female entrepreneurs
	Ensure availability and sustainable management of water and sanitation for all	We will actively support those businesses that seek to promote sustainable management of water and sanitation	Business type	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To support and promote clients that operate in this sector
	Ensure access to affordable, reliable, sustainable and modern energy for all	We work to support businesses that supply affordable and clean energy	Business type	£1.2m	7%	5% of all deals will be to these types of businesses
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Everything we do is to support the economic growth and development of the areas we serve. This is part of our Company Articles	Every loan we provide	£17.5m	100%	100% of all activity
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We work to support innovation and sustainable development of enterprise within the communities we serve	Volume of lending into lower layer super output areas (LSOAs) and areas with the highest indices of multiple deprivation (IMDs)	£14.1m	80%	5% year-on-year increase

SUSTAINABLE DEVELOPMENT GOALS

Using our Responsible Finance model, we continually contribute to these goals. We measure success by the volume of lending attributable to each goal. We are proud that over the past year we have seen a significant increase in lending that supports No Poverty, Zero Hunger, Good Health and Well Being, Quality Education and Gender Equality.

GOAL	UN DEFINITION	HOW WE APPLY THE GOAL	MEASURE	£ OF TOTAL LENDING 2020/2021	% OF TOTAL LENDING 2020/2021	2022 TARGET
	Reduce inequality within and among countries	It is not possible for us to work out the inequalities amongst countries, but we can between people groups in the areas we serve. Therefore, we commit to support underrepresented demographics through our lending activity	Ethnicity, age and gender	£7.0m	40%	Maintain current levels of lending to diverse communities and under-represented people groups
	Make cities and human settlements inclusive, safe, resilient and sustainable	Everything we do is to support the sustainable communities through economic regeneration and the creative use of finance. We work in the most disadvantaged communities in the North of England	Volume of lending into lower layer super output areas (LSOAs) and areas with the highest indices of multiple deprivation (IMDs)	£14.1m	80%	5% year-on-year increase
	Ensure sustainable consumption and production patterns	We will actively encourage all our clients to adopt sustainable consumption and production practices	Providing support or signposting clients to such organisations who can assist in improving their procurement and selling practices	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To continue to support and educate all clients on sustainable best practices
	Take urgent action to combat climate change and its impacts	We will actively encourage all our clients to adopt sustainable consumption and production practices to minimise and reduce their environmental impact	Providing support or signposting clients to such organisations who can assist in improving their environmental footprint	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To continue to support and educate all clients on sustainable best practices
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	We will work with such clients whose primary activity is within oceans, seas and marine resources to adopt and apply such best practice as to protect, restore and manage sustainable ecosystems	Providing support or signposting clients to such organisations who can assist in improving their environmental footprint	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To continue to support and educate all clients on sustainable best practices
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	We will work with such clients whose primary activity is within agriculture or land management to adopt and apply such best practice as to protect, restore and manage sustainable ecosystems	Providing support or signposting clients to such organisations who can assist in improving their environmental footprint	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To continue to support and educate all clients on sustainable best practices
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We will work with clients to promote inclusive societies through their business activity	Providing support or signposting clients to such organisations who can assist in improving the work they do to promote inclusive societies	Working towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To continue to support and educate all clients on sustainable best practices
	Strengthen the means of implementation and revitalise the global partnership for sustainable development	We are committed to partnering in the promotion of these goals within the areas we serve, reporting and evidencing against the targets we have outlined	Board-level commitment	Working on reporting on all goals for our future portfolio	Working on reporting on all goals for our future portfolio	To deliver against targets for all goals

SUPPORTING GOOD CAUSES



We continue to support local causes that help develop enterprise and improve disadvantaged communities. In the last year, we continued our support of Brighouse Rangers ARLFC and One In A Million.

BRIGHOUSE RANGERS

Brighouse Rangers fields amateur men's, women's and junior teams in Yorkshire leagues. Our sponsorship of the senior men's team equipped them with branded training shirts for the 2020/2021 season. This season, the team will compete in the Premier Division of the Yorkshire Men's League.



SUPPORTING GOOD CAUSES



ONE IN A MILLION

One In A Million helps disadvantaged children and young people break the cycles of deprivation while valuing and celebrating their uniqueness and letting them know they are 'one in a million'. In the last year, we raised over £5,540 to help them engage young people through sports, the arts and enterprise in the Bradford area.



“One In A Million charity enjoys a close relationship with BEF who share our vision and values and are committed to our ethos that ‘takes a community to raise a child’. We thank BEF for their continued valued support of the work we do with children and young people living in disadvantaged communities within the Bradford MDC. Together we help raise the children of today and the leaders of tomorrow.

Craig McHugh, One In A Million



AMITY BREW CO

AMITY BREW CO is a Leeds-based brewpub that makes fresh, modern interpretations of classic beer styles, as well as experimenting with what's new. Founded by Russ Clark and Richard Degan, Amity Brew Co is inspired by the US model of a brewpub, making limited batch beer on-site and getting it into the hands of the community fresh and fast.

Situated in Sunny Bank Mills, Farsley, the 2,500 sq ft brewery and bar Amity Brew Co produces a core range of beers all named after Farsley landmarks.

The start-up loan enabled Amity Brew Co to secure the lease on the premises which is situated in a prime location.



“We are a group of friends who met on the craft beer scene having worked in the UK's best breweries, so we know our stuff.

We are inspired by the US model of a brewpub, making limited batch beer on-site and getting it into the hands of the community fresh and fast.

Loan

£50,000 Start Up Loan (multiple)

Purpose

Lease of premises

Impact

Business start-up despite Covid-19

UNSDGs

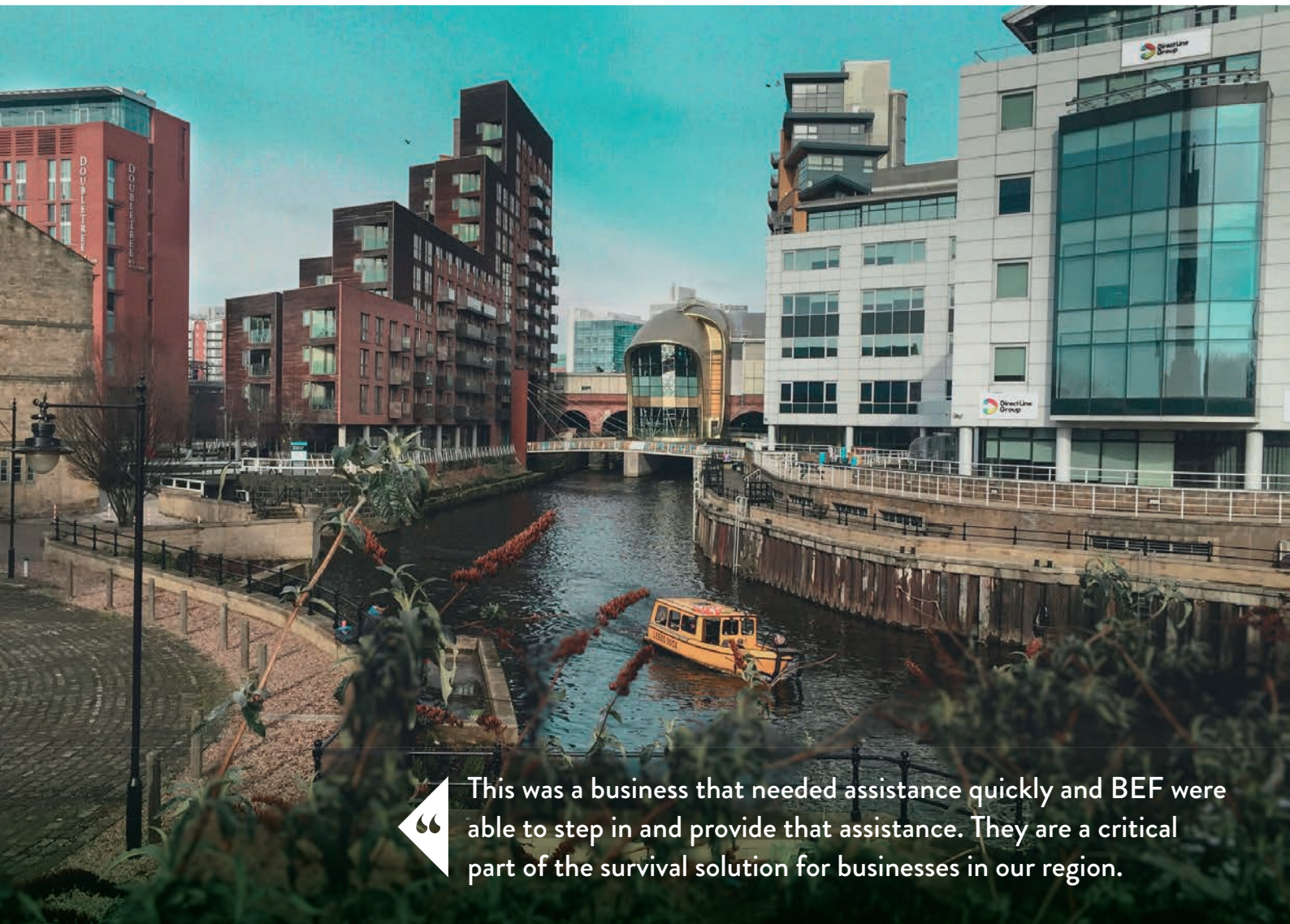




CASTLEHOUSE CONSTRUCTION

CASTLEHOUSE CONSTRUCTION specialises in commercial construction for organisations like Lidl and Aldi. The Morley-based business approached BEF via Amrit Choda at the Local Enterprise Partnership in the Leeds City Region after their bank failed to respond in a timely manner.

It was incredibly important to process the application as quickly as we could to ensure that Castlehouse could keep their staff working on sites. BEF received the application on a Monday and by the following week the application was approved.



This was a business that needed assistance quickly and BEF were able to step in and provide that assistance. They are a critical part of the survival solution for businesses in our region.

Loan

£150,000 CBILS-backed
BEF

Purpose

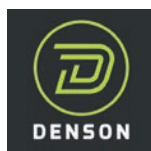
Short-term working capital

Impact

30 jobs safeguarded
and four jobs created

UNSDGs





DENSON AUTOMOTIVE



Securing the combined £200,000 of loans from NPIF and BEF backed by CBILS is a huge coup for us – it allows us to use the BEF loan to repay an existing Bounce Back Loan, increase our inhouse conversion capacity and capability, and expand the existing workshop to meet strong demand.

DENSON AUTOMOTIVE, a one-year-old camper conversion business based out of Thorp Arch Trading Estate, Wetherby, achieved £1 million turnover in the 12 months since January 2020.

The Wetherby-based company provides custom Volkswagen camper vans

on a made to order basis. Denson Automotive camper vans designed to be distinctively different, to have superior kerb appeal and to be affordable.

The CBILS-backed BEF and NPIF support enabled Denson Automotive to increase their inhouse conversion capacity and capability.

Loan

£200,000 CBILS-backed
BEF and NPIF

Purpose

Redevelop website and
develop marketing material

Impact

Three jobs created with
five more to follow

UNSDGs





PARKVIEW CHILDCARE

PARKVIEW CHILDCARE is a Bradford-based educational pre-school established by Samantha Williams in 2010. Parkview Childcare provides a caring and nurturing childcare environment where all parents feel confident that their child is happy, learning, and well cared for.

The BEF loan enabled Parkview Childcare to renovate their facilities with the addition of a brand-new indoor classroom and an outdoor classroom.

“

The loan has allowed us to settle outstanding bills and provide a good cash flow to help us overcome the reduced numbers. We have invested in new resources to ensure we are competitive with other nursery providers.

BEF, showing an interest in supporting our business, has been a huge help and provided the security we felt we needed to invest into the future of the business.



Loan

£85,000 CBILS-backed
BEF

Purpose

Renovation of facilities

Impact

Eight jobs safeguarded
and four jobs created

UNSDGs





VIRTUOSO LEGAL

VIRTUOSO LEGAL is a leading intellectual property solicitor practice based in Leeds. The business delivers commercial intellectual property advice to clients across the UK. Virtuoso Legal was founded by Elizabeth Ward, a highly experienced intellectual property solicitor in 2007. At the

time, it was one of the first dedicated intellectual property specialist firms in the UK.

The CBILS-backed NPIF loan enabled Virtuoso Legal to develop and deliver marketing activity to mitigate against the impact of COVID-19.



“

As always, Mark and the BEF team have been brilliant. The support from BEF has enabled us to respond positively to the challenges posed by the coronavirus pandemic. We have seen an upturn in sales due to a surge in innovation that businesses are keen to protect.

Loan

£40,000 CBILS-backed NPIF

Purpose

Marketing campaign

Impact

Significant increase in business

UNSDGs





YORKSHIRE PUDDING PIE COMPANY

BASED IN MALTON, North Yorkshire, The Yorkshire Pudding Pie Company is a family-run business best-known for hand crafting Puddies, the world's first and only pie made with Yorkshire pudding not pastry.

Using locally sourced ingredients, each batch is made using Yorkshire Wagyu beef, Yorkshire Gloucester Old Spot sausages and Yorkshire eggs.

The pies are sold online, in major supermarkets and independent retailers.

The CBILS-backed investment supported the completion of a new manufacturing facility, increased marketing activity, and the doubling of its workforce.

“NPIF and BEF have been incredibly supportive in helping us to grow the sales of our lovely Puddies, they're great examples of financial institutions doing their bit to support small businesses gain access to finance.”

Loan

£150,000 CBILS-backed
BEF and NPIF

Purpose

Redevelop website and develop
marketing material

Impact

Five jobs created

UNSDGs



WHAT MAKES US UNIQUE



Our mission is to provide flexible finance to businesses, helping them grow and improve the wealth of the economy and the communities we serve. We provide loans to new and established SME businesses across the UK, and as a social enterprise, our profits are re-invested to further our social aims. This is unique business lending. Whatever your idea, we take a different view.

OUR LOANS



START UPS

Government-backed loans for businesses trading less than two years

£500 – £25,000 | 6% fixed

Terms up to five years

Support on offer from experienced business mentor

No set up or early repayment fees

Personal loans for business use



EXPAND

Tailored unsecured finance for businesses of all ages

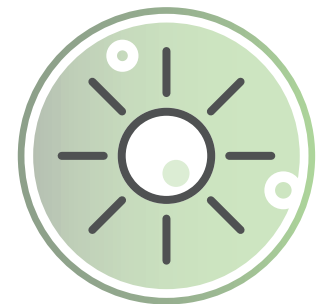
Up to £100,000*

Terms up to five years

Flexible rates, set up and early repayment fees

Personal guarantees required

*Within the NPIF region
(£50,000 outside the NPIF region)



FLOURISH

Secured finance for businesses of all ages

Up to £250,000

Terms up to 12 months

Terms up to five years

Flexible rates, set up and early repayment fees

Tangible security required

ANNUAL STATEMENT



GROUP COMPANIES

Business & Enterprise Finance Ltd
 Business & Enterprise Finance (NE) Ltd
 Goole Development Trust
 NPIF YHTV Microfinance LP
 BEF-NPIF GP Ltd
 BEF-FFE CIP Ltd
 BEF BSC Ltd

FINANCIAL PERFORMANCE

	2019 // 20 Total	2020 // 21 Total
	£'000	£'000
Income	2,582	3,960
Expenditure	(2,329)	(2,662)
Operating profit (inc exceptionals)	501	1,298
Write-offs	324	248
Write-offs %	2%	1%
GROSS LOAN PORTFOLIO	14,499	18,545
YIELD %	13%	16%

Community Investment **TAX RELIEF (CITR)**



The Community Investment Tax Relief (CITR) scheme encourages investment in disadvantaged communities by giving tax relief to investors who back businesses and other enterprises in less advantaged areas by investing in accredited Community Development Finance Institutions (CDFIs).

The tax relief is available to individuals and companies and is worth up to 25% of the value of the investment in the CDFI. The relief is spread over 5 years, starting with the year in which the investment is made.

BEF provided £7m in tax relief to investors during 2020/21. If you are interested in investing your monies for good and seeing a healthy financial return on your investment, then contact us and we will make that happen.

Future FOCUS



The challenges of the last year highlighted the importance of supporting businesses across the UK with access to flexible finance. The record level of lending was instrumental in safeguarding jobs providing stability to many businesses. It also supported growth and job creation in those businesses that saw a rise in demand for their products and services.

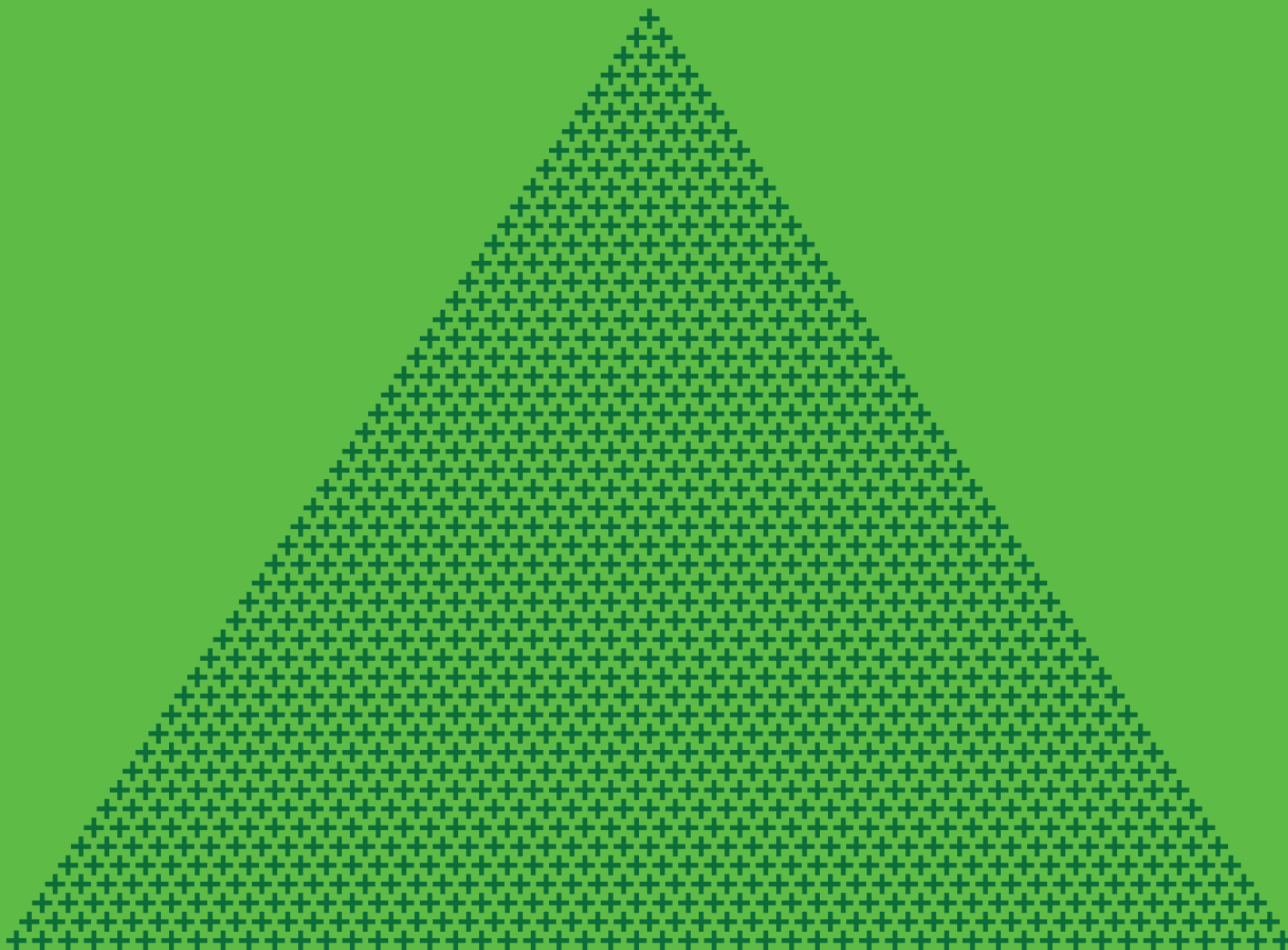
Recently, because of the pandemic, we have seen unprecedented levels of interest in Start Up Loans. BEF is matching that demand with increased resources to support start-up clients.

Looking forward, we expect many businesses to recover and grow despite any ongoing challenges of COVID-19. Therefore, we remain committed to providing flexible unsecured and secured finance to help businesses across the UK start, thrive and grow.

We will continue to source funding streams that will enable us to bring social and economic benefit to businesses and communities across the UK.

Further investment will be made in our infrastructure and processes to streamline our service and to ensure that each client receives the best possible support of our dedicated and highly experienced investment team.

We will continue to strengthen our partnerships with our network of capital funds, intermediaries, banks, local authorities, growth hubs, and education institutions while working hard for the businesses and communities we serve together.



MORE INFORMATION

befund.org + T: 0800 080 3145 + E: info@befund.org

Business Enterprise Fund
9 – 11 Peckover Street, Little Germany, Bradford BD1 5BD

OUR PARTNERS



NACFB
Helping Fund UK Business



Supported by the
Regional Growth Fund

