

OUR ONGOING RESPONSE
TO THE PANDEMIC

growth & impact

#WETAKEADIFFERENTVIEW



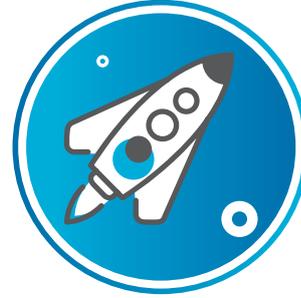
April 2021 // March 2022

THE YEAR AT A GLANCE



603

Client deals



346

New UK businesses created



£14.6m

Of client investment



3,370

UK jobs created or safeguarded



£58.4m

Added to the region's economy
(£328.4m in the last 10 years)



64%

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

A note from our CHAIRMAN & CHIEF EXECUTIVE



Malcolm Lynch
Chairman

The post-pandemic era has delivered economic and supply chain challenges to businesses across the region and beyond. Following what was an exceptional year, the Business Enterprise Fund (BEF) has continued to support businesses with the flexible finance.

“ HAVING DELIVERED A RECORD LEVEL OF SUPPORT VIA THE CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS), BEF WENT ON TO SUPPORT BUSINESSES IN NEED VIA THE RECOVERY LOAN SCHEME (RLS) AT A TIME WHEN MANY BUSINESSES STRUGGLED TO SECURE THE FINANCIAL SUPPORT THEY REQUIRED. THIS IS IN LINE WITH BEF’S REMIT TO DELIVER FINANCE TO THOSE BUSINESSES AND AREAS THAT NEED IT MOST.

BEF, a not-for-profit social enterprise exists to support the economic wellbeing of businesses and the communities that they serve. This year, BEF has supported businesses through a tough recovery period. The support has helped businesses to navigate effects of the post lockdown world and the ongoing war in Ukraine.

The BEF team delivered just over £6m to micro and SME businesses through its contract with Start Up Loans providing critical finance for 479 early stage and start-up businesses.

Over £8m was delivered to businesses thanks to the various sources of capital available to us by the Government guarantees. This included £2m of investment from the Northern Powerhouse Investment Fund (NPIF), in partnership with the British Business Bank.

We thank our dedicated and highly experienced team who have worked hard to impact so many businesses within the last 12 months. Their excellent effort is acknowledged and appreciated. We are thankful for the roles that our key stakeholders have played in helping BEF support so many businesses in need. Our key stakeholders include the West & North Yorkshire Chamber of Commerce, Unity Trust Bank, Big Society Capital, and the British Business Bank who we partner with on RLS, Start Up Loans and NPIF.



Steve Waud
Chief Executive

The last three years have been tough for everyone. The last year has been particularly tough for lots of different reasons. The instability in the market, the war in the Ukraine and other things have all lead to such uncertainty that it has been difficult for businesses to plan – this is reflected in how much time we have had to spend this year supporting businesses through their applications for finance. Within our own business we have had to be especially fleet of foot to be able to respond to the needs of our clients whilst keeping our eye firmly fixed on our mission and purpose.

“ AS A MISSION DRIVEN ORGANISATION SEEKING TO ADDRESS SOCIAL IMBALANCES, WE ARE COMMITTED TO DOING THIS THROUGH A FAIRER AND MORE ACCESSIBLE FINANCIAL SYSTEM. THIS YEAR WE HAVE SEEN A SHARP INCREASE IN THE DEMAND FOR FINANCE FOR NEW START AND EARLY STAGE BUSINESSES. THE DEMAND FROM EXISTING BUSINESSES SEEKING FINANCE TO SMOOTH THEIR PATH THROUGH THE TURBULENT ECONOMIC WATERS ALSO CONTINUES TO BE HIGH.

We launched our commitment to delivering on the UN SDGs 4 years ago and we can see a year on year growth in supporting these goals – this equates to our ESG (environmental, social and governance) commitments, and I am grateful to our board for their commitment to meeting our social mission.

Our staff and board are vested in the delivery of our mission and we will be undertaking plans this next financial year to increase and grow our reach and penetration into the continued shortfall in the opportunities for fairer finance – communities need it, and we want to do as much as we can to level up on these continued market failures.

Thank you to all our clients for their trust in us, and our stakeholders for their faith in us. We commit ourselves to doing all we can in delivering on our mission to change communities for the better through fairer, affordable finance.

April 2021 // March 2022

OUR IMPACT

$$\begin{array}{r}
 \text{BEF Capital} \\
 \text{£6.3m}
 \end{array}
 +
 \begin{array}{r}
 \text{Start-up Loans} \\
 \text{£6.3m}
 \end{array}
 +
 \begin{array}{r}
 \text{NPIF} \\
 \text{£2.0m}
 \end{array}
 =
 \begin{array}{r}
 \\
 \text{£14.6m}
 \end{array}$$

7,236

Hours of investor readiness support

10 YEAR TOTAL

4,083

Client deals

£328m

Added to the region's
economy

£92m

Client investment

1,774

New UK
businesses created

11,255

UK jobs created or
safeguarded

£464,000

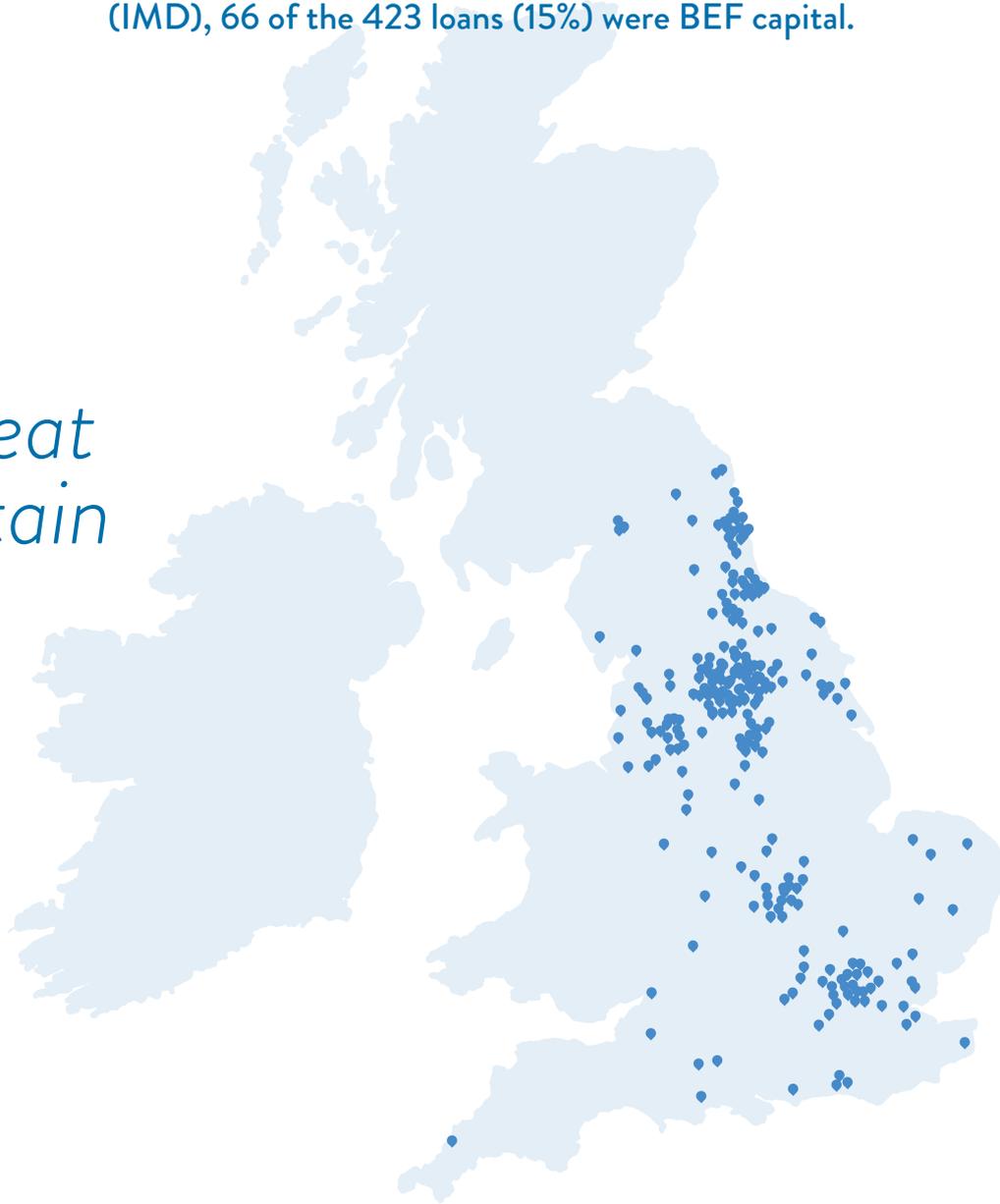
Granted to organisations
matching our aims and
objectives including
charities

WHERE WE INVEST

64% loans (£9.4m) of our lending was within the most deprived areas of the UK.

423 loans were issued within the lowest 35% of LSOA's in the Index of Multiple Deprivation (IMD), 66 of the 423 loans (15%) were BEF capital.

Great Britain



Business Services

18% / £2.67m / +200k from 2020/21

Construction

21% / £3.1m / -£1.54m from 2020/21

Creative

2% / £295k / -£156k from 2020/21

Education

4% / £567k / +£324k from 2020/21

Healthcare and Beauty

8% / £1.18m / -£770k from 2020/21

Hospitality

13% / £1.90m / -£190k from 2020/21

Logistics

8% / £1.09m / +£390k from 2020/21

Manufacturing

15% / £2.15m / +£770k from 2020/21

Retail

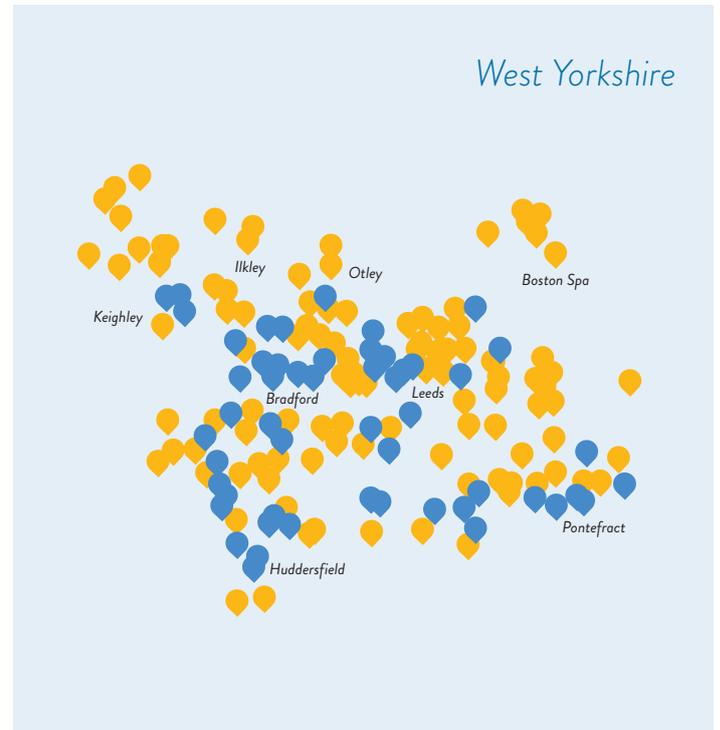
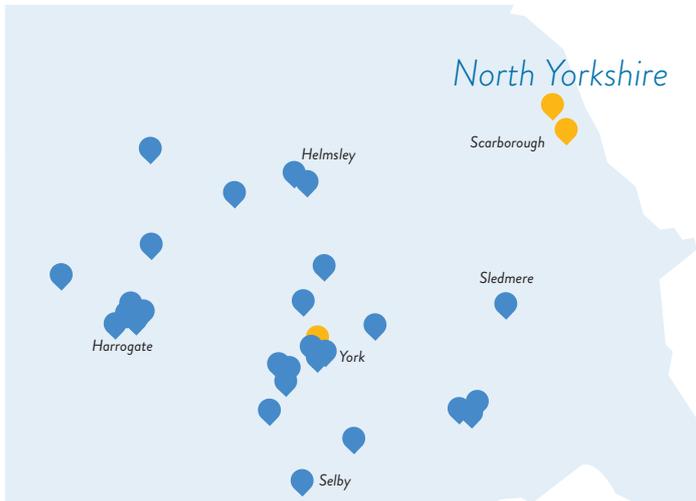
11% / £1.6m / +£90k from 2020/21

Social Enterprise

0% / £12k / +£12k from 2020/21



It's great
UP NORTH
 (Levelling up)

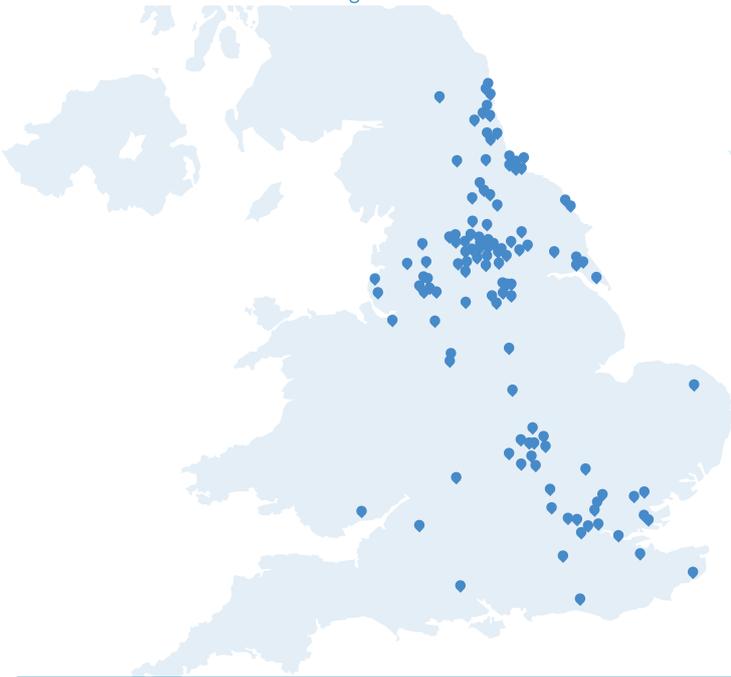


 Yellow pins denote the LSOAs

Impact SUMMARY

YOUNGER ENTREPRENEURS (18 - 35)

Total lending £4.4m (30%)



FEMALE ENTREPRENEURS

Total lending £4.8m (33%)



AGE OF BORROWERS

RANGE	QUANTITY	VALUE	% OF QUANTITY	% CHANGE FROM 2020/21
18 - 24	61	£1.79m	10	+8
25 - 34	196	£4.01m	32	+17
35 - 44	182	£4.42m	30	-2
45 - 54	114	£2.74m	19	-8
55 - 64	43	£2.16m	7	+6
65+	12	£725k	2	-3



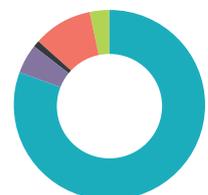
GENDER OF BORROWERS

	TOTAL £M	% OF TOTAL	% CHANGE FROM 2020/21
FEMALE	£4.8m	33%	+8
MALE	£9.8m	67%	-8



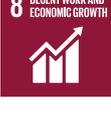
ETHNICITY OF BORROWERS

	TOTAL	% OF TOTAL	% CHANGE FROM 2020/21
WHITE BRITISH	474	79	+3
ANY OTHER WHITE BACKGROUND	33	5	+1
MIXED/MULTIPLE ETHNIC GROUPS	7	1	-1
ASIAN	58	10	+3
BLACK	16	3	+1



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 2021/2022	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)	£9.4m	64%	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)	£9.4m	64%	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	£2.13m	14.5%	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	£567k	4%	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	£4.8m	33%	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 sustainable and modern energy for all	We work to support businesses that supply affordable and clean energy	Business type	£1.2m	6%	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	£14.6m	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)	£9.4m	64%	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 Wellbeing, Quality Education and Gender Equality.

GOAL	UN DEFINITION	HOW WE APPLY THE GOAL	MEASURE	£ OF TOTAL LENDING 2020/2021	% OF TOTAL LENDING 2021/2022	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	£10.5m	72%	Maintain current levels of lending to diverse communities and underrepresented 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 and beyond	Volume of lending into Lower Layer Super Output Areas (LSOAs) and areas with the highest Indices of Multiple Deprivation (IMDs)	£9.4m	64%	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 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 towards reporting on this goal for our future portfolio	Working towards reporting on this goal for our future portfolio	To deliver against targets for all goals

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'. As a corporate partner, our sponsorship helped them engage young people through sports, the arts and enterprise in the Bradford area.



One In A Million is very grateful for BEF's continued support through our charities Corporate Partners Programme. As a charity we believe that 'it takes a community to raise a child' and we are grateful for BEF's long term commitment to help us make a difference to children and young people living in disadvantaged communities within the Bradford MDC. Thank you for helping us make a difference.

Craig McHugh, One In A Million



CITY HUB

City Hub consists of 18 offices and 5 meeting spaces spread across 4 floors in the heart of Little Germany in Bradford. Owned by The Business Enterprise Fund (BEF), it was renovated and launched in 2013 as an incubator office space for local SME businesses.

Since its launch, City Hub has become an integral part of the local business community. Formerly dubbed, 'The Legal Hub' for the sheer volume of legal sector tenants, today City Hub is home to a diverse range of local businesses from media creatives to business service providers to therapists.





AMITY BREW CO

Amity Brew Co is a Leeds-based craft beer producer founded by Russ Clark and Richard Degan. The business previously received £50,000 in Start Up Loans from BEF to secure the lease on their premises at Sunny Bank Mills in Farsley.

The business performed well despite the pandemic and is now set for growth following a second BEF investment, £15,000 of which was match funded by AD:VENTURE, a business growth programme for early stage businesses in North and West Yorkshire.



Loan

£40,000 RLS-backed BEF

Purpose

Equipment purchase and working capital

Impact

8 jobs safeguarded

UNSDGs





POTIONS CAULDRON

York-based The Potions Cauldron opened its second wizard-themed mini golf experience, Hole In Wand, in the heart of Blackpool thanks to a joint BEF and NPIF investment. The opening seeks to capitalise on the success of the York-based Hole in Wand experience which opened in May 2021 and welcomed over 100,000 visitors in its first year.

The joint BEF and NPIF investment is the first under BEF's new Hospitality Recovery Loan Fund, a £5m fund to support hospitality, retail and supply chain businesses across Yorkshire, The Humber and Tees Valley. The BEF and NPIF investment enabled Potions Cauldron to complete the initial setup of the venue.



Loan

£100,000 RLS-backed
BEF and NPIF

Purpose

Opening a new venue

Impact

15 jobs created

UNSDGs





FOLLAND-BOWEN BLOODSTOCK

This boutique stud farm run by Natalie Folland and Matthew Bowen is based at the historic Fonthill Stud in Wiltshire. Set within 50 acres of well-established pasture, the business provides an environment where both horses and owners thrive.

35-years of combined industry experience, stunning equestrian facilities, and a focus on limited stock numbers enable the owners to focus on services that ensure each horse gets the very best individual care and attention.

The BEF investment enabled Folland-Bowen Bloodstock to cover start-up costs.



Loan

£25,000 Start Up Loan

Purpose

Setup costs

Impact

5 jobs safeguarded
and 2 jobs created

UNSDGs





VALE OF MOWBRAY

Vale of Mowbray, UK's number one pork pie brand is a family-owned business that bakes 1.5 million pies a week from its Leeming-based production facility. Thanks to new product development the business installed a new £4m production line, entered the Scotch egg market, and introduced a new range of premium pies.

A joint investment from BEF and NPIF supported Vale of Mowbray's project which enables the business to make 500 scotch eggs per minute.

The BEF and NPIF investment enabled Vale of Mowbray to grow the business.



Loan

£250,000 RLS-backed
BEF and NPIF

Purpose

New equipment
and staff recruitment

Impact

30 jobs created

UNSDGs





SMILE BAR

Huddersfield-based Smile Bar is set to redefine live entertainment in the West Yorkshire town. Located close to the University of Huddersfield, the start-up offers a licensed bar and live music events.

Smile Bar is an offshoot of leading online radio station Smile Radio. The bar's aim is to give a platform to unsigned music and artists.

The bar will open 7 days a week, offering menu options for breakfast, lunch and dinner, with food from MasterChef quarter-finalist Chris Hale.

The BEF investment enabled Smile Bar to invest in preparing the bar for opening in 2022.



Loan

£50,000 Start Up Loan (multiple) and £50,000 RLS-backed loan

Purpose

Working capital to support start-up costs

Impact

Up to 30 part-time jobs created

UNSDGs





THE ALCOHOL FREE DRINKS COMPANY

The Alcohol Free Drinks Company was established in August 2021 by Andy Mee. Having quit alcohol drinking in March 2021, Andy, a lifelong social drinker was frustrated by the poor choice of alcohol-free drinks available when dining out. The Alcohol Free Drinks Company is his response to the lack of options.

Andy's mission is to help to normalise drinking adult drinks without the need for alcohol.

The business won the B2B Services for the North East, Yorkshire and Humberside in the StartUp Awards National Series.



Loan

£12,000 Start Up Loan

Purpose

Working capital to support start-up costs

Impact

Up to 30 part-time jobs created

UNSDGs



WHAT MAKES US UNIQUE



Our mission is to provide flexible finance to businesses, helping grow and improve the wealth of the regional economy and the people we serve. We provide loans to new and established SME businesses across the North, 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 5 years
Support on offer from experience business mentor
No set up or early repayment fees
Personal loans for business use



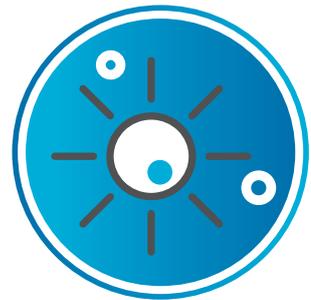
HOSPITALITY RECOVERY

Finance for hospitality, food, retail, and supply chain businesses of all ages

Up to 25% of pre-pandemic or current turnover

Terms up to 5 years
Flexible rates, set up and early repayment fees
Tangible security may be required

*For businesses based in Yorkshire, The Humber and Tees Valley



BUSINESS

Unsecured finance for businesses of all ages

Up to £250,000*

Terms up to 5 years
Flexible rates, set up and early repayment fees
Tangible security may be required

*Within the NPIF region (£150,000 outside the NPIF region)

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

	2020 // 21 Total	2021 // 22 Total
	£'000	£'000
Income	3,960	4,064
Expenditure	(2,662)	(2,626)
Operating profit (inc exceptionals)	1,298	1,468
Write-offs	248	404
Write-offs %	1	2
GROSS LOAN PORTFOLIO	18,545	21,596
YIELD %	16	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 were able to provide tax relief on £8.5m to investors during 2021/22. 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.

Partnership Investment FINANCE (PIF)



Partnership Investment Finance (PIF) was amongst the first ERDF funds for the region back in 2004 and successfully delivered over £41.5m to support SMEs across the Objective 2 areas of West, North and East Yorkshire and Humberside.

In 2021 following a detailed due diligence process, BEF were asked to take over the management of the legacy of PIF's ERDF and Single Pot funds.

We were happy to do this as it aligned with our goals and objectives. We agreed we would lever in additional funds to match the £2.9m. So far we have utilised £1m of the funder to support SMEs in Objective 2 areas.

Future FOCUS



The importance of access to flexible finance for businesses across the UK remained constant. Once again, our lending was instrumental in safeguarding jobs and providing stability to many businesses while supporting growth and job creation in those businesses that saw a rise in demand for their products and services.

Demand for Start Up Loans has never been stronger as individuals seek to start or grow businesses. Many businesses are now beginning to recover and grow despite the post-pandemic era being compounded by the war in Ukraine. We have, therefore, continued with our commitment to provide flexible unsecured and secured finance to help businesses across the UK start, thrive and grow.

We will continue to source funding that will enable us to provide flexible finance to those businesses that need it the most. In doing so, our investments will deliver economic and social benefits to businesses and communities across the UK.

Further investment will be made in our people, infrastructure and processes to ensure that our clients receive the best possible support from our dedicated and highly experienced investment team.

Strong partnerships are key to our success and we wouldn't exist without our network of capital funds, intermediaries, banks, local authorities, growth hubs, and education institutions. We will continue to strengthen our relationships with partners and stakeholders while working hard for the businesses and communities we serve together.

NOTES

NOTES



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9-11 Peckover Street,
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Our Partners

