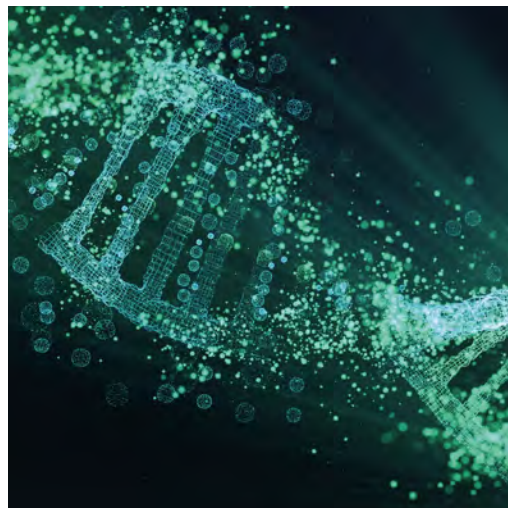
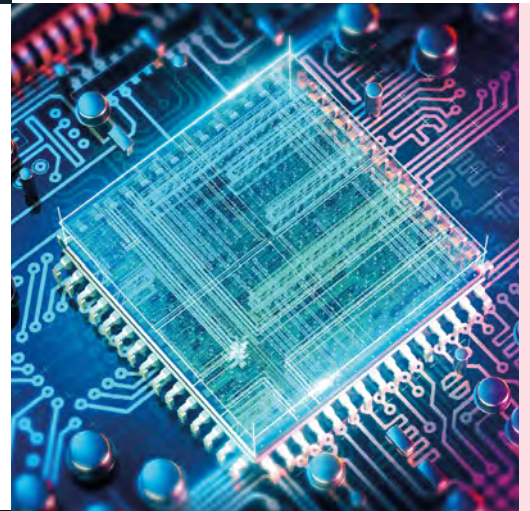




Investing in innovation



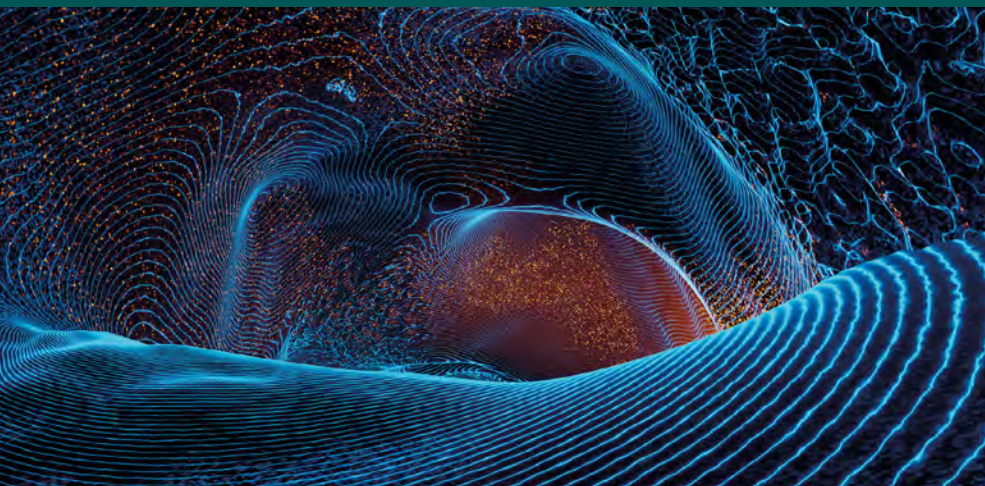
Annual Report
and Accounts 2022

“

British Patient Capital takes a long-term view and is focussed on funding the innovative high growth companies of today, so they can become the success stories of tomorrow.

”

Russ Cummings
Chair





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Russ Cummings
Chair

Chair's report

Enabling innovation

The pandemic underlined the importance of innovation in the UK economy. British Patient Capital has played a crucial role in building the UK's venture capital ecosystem, which facilitated unprecedented levels of deal activity in the UK throughout 2021 and in to the first quarter of 2022.

During the financial year to March 2022, British Patient Capital continued its mission to deliver financing for innovative, high-growth companies, cementing its position as the largest domestic investor into UK venture capital funds. As our £2.5bn Core programme moved into its fourth year, British Patient Capital provided support to the UK venture ecosystem by establishing new relationships with fund managers, as well as supporting successor funds from existing portfolio managers as a long-term partner.

We also launched two new programmes which are specifically targeted at R&D intensive businesses to complement the activities of our Core programme. The £375m Future Fund: Breakthrough provides direct equity investments in growth rounds for R&D intensive companies.

The £200m Life Sciences Investment Programme ('LSIP') offers funding for UK focused, later stage life science funds. With the addition of these two new mandates to our core fund investment programme, we now manage more than £3bn in assets.¹

“

British Patient Capital is the largest domestic investor into UK venture capital funds. We seek out best in class fund managers whose investment strategies align with ours

”

Across all our programmes,¹ the cumulative capital committed since inception of the company in 2018 reached more than £1.6bn by March 2022. Furthermore, the funds in which we have invested have raised a total of £10.7bn, meaning that other third-party investors have committed a further £9.1bn alongside us, significantly enhancing the availability of long-term patient capital for high-growth innovative companies.

Our leadership

On 1 October 2022, Catherine Lewis La Torre returned to the position of CEO of British Patient Capital, the role she held from 2018 until 2020, when she was named as interim CEO of the British Business Bank. Catherine replaces Judith Hartley, who was interim CEO of British Patient Capital and British Business Investments in the intervening period.

During her two years with British Patient Capital, Judith has guided the business through the pandemic, launched two new programmes, and driven the expansion of our direct and co-investment capabilities. I would like to thank her for her outstanding service and leadership over the last two years. I look forward to working with Catherine once again as we move into the next phase of our growth.

The year ahead

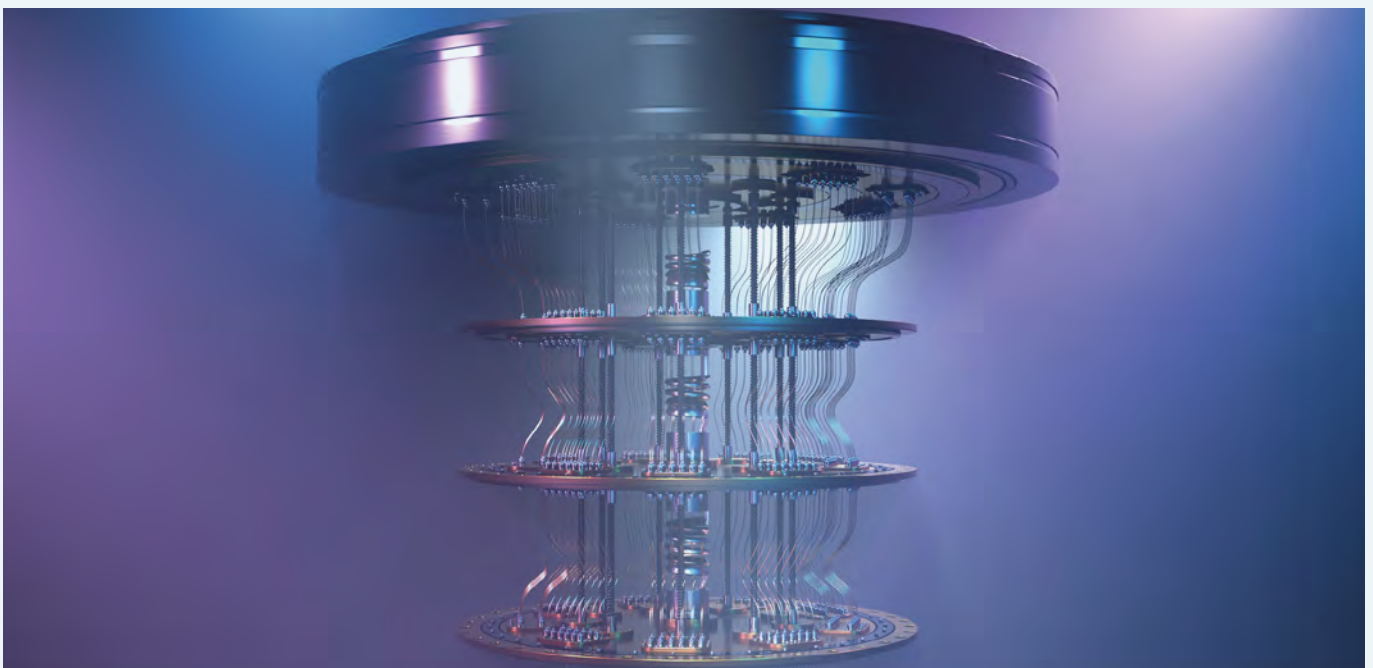
The end of FY 2021/22 was marked by the war in Ukraine, a rise in global inflation and increased world-wide stock market volatility. While UK venture capital will not be immune to this increasing macro-economic uncertainty, it is important to recognise that the fundamental potential of the UK innovation economy remains. Importantly, as a patient capital investor that invests independently of market cycles, we take a long-term view. As such, we remain focused on funding the innovative companies of today, so they can become the success stories of tomorrow.



£3bn

We manage over £3bn in assets¹

¹ Including our third party mandate.





Judith Hartley
Chief Executive Officer

Chief Executive's statement

Delivering our mission

During the 12 months to 31 March 2022, we continued to support UK scaleups with further fund commitments and co-investments from the core British Patient Capital programme, as well as successfully launching two new investment programmes.

Our investments across all programmes totalled £341m² during the year to 31 March 2022, of which the Core programme represented £228m. This brought total investments since inception to more than £1.6bn² by 31 March 2022, of which the Core programme represented £1.3bn via 61 fund commitments and co-investments in four companies.

By 31 March 2022, the Core programme had 1,008 underlying companies in its fund portfolio, after adding 332 new companies during the year.

Financial performance

2021 was an extraordinary year for UK venture capital, with deal activity reaching record levels in terms of both value and number, and deal valuations rising rapidly. This robust activity has been reflected in the exceptional performance of British Patient Capital's portfolio during the financial year to March 2022, with the portfolio TVPI of the Core programme increasing from 1.51x at 31 March 2021 to 1.80x at 31 March 2022, and the portfolio IRR since inception increasing from 25.3% to 32.9% over the same period. This substantial uplift for the core programme drove a profit before tax (PBT) of £339m for British Patient Capital as a whole over the financial year.

² Including our third party mandate.

“

Across all our programmes,² we committed £341m during the year, taking total commitments since inception to more than £1.6bn

”



1,008

Our underlying portfolio increased from 676 to 1,008 companies

Diversity and Inclusion

We recognise that equality of opportunity for everyone needs to be improved across all parts of the innovation economy. As a responsible investor, we believe that we have an important role to play in encouraging fund managers and management teams to develop their diversity and inclusion initiatives. The consideration of diversity is therefore an integral part of our assessment of investment opportunities and we continue to explore ways to encourage positive improvements in this area. Ultimately, we want to invest with managers and companies that share our values.

Looking Ahead

As I hand back leadership of British Patient Capital to Catherine Lewis La Torre, I would like to reiterate how proud I am of the company's achievements over the past two years and also thank the Board and the investment team for their unwavering support and commitment. Under Catherine's leadership, I am confident the company will go from strength to strength, helping the UK's innovative high-growth companies to fulfil their potential.

We are encouraged by this very strong performance to date, but are also conscious that British Patient Capital has a long-term investment horizon and is therefore still at a very early stage in its life. The majority of our funds are actively investing, and value creation to date has been largely unrealised. We are also aware that the recent volatility in technology markets and the downturn in the wider economic outlook will inevitably offer challenges for some of our portfolio companies over the coming months.

However, the British Patient Capital portfolio of 1,008 underlying companies is highly diversified by sub-sector, business model and end customer, and is guided by experienced fund managers, which we believe provides a resilient foundation for the portfolio. Furthermore, there is substantial dry powder within the British Patient Capital programme, which will be available to support emerging companies over the coming years. We therefore continue to believe strongly in the potential for value creation in the British Patient Capital portfolio over its lifetime, and more broadly in the ability of the venture capital ecosystem as a driver of future growth for the UK.

Building our capability and capacity

The launch of our two new programmes saw a corresponding expansion in our team. Over the course of the year, investment professionals with specialist expertise in deeptech and life sciences joined us, augmenting the team's existing experience and skills in fund investing. We now have a team of 24 investment professionals in Sheffield and London. Without the hard work of our team over the past year, we would have been unable to achieve such impressive results. I would like to thank every single member of the team for their dedication and professionalism.



£339m

Profit before tax for FY 2021/22

Our board



Russ Cummings

Chair

Russ joined British Patient Capital as an independent Non-executive Director in June 2018 and was appointed Chair on 1 September 2020.

Russ is the former Chief Executive Officer of Touchstone Innovations plc, one of the UK's leading technology investment companies, championing outstanding science by commercialising innovative research from UK universities. Russ joined as Chief Investment Officer in 2006, then became CEO in 2013 through to the acquisition of Touchstone in 2017 by IP Group plc for £500m.

From 2003 to 2006 he was a Director at the growth equity and venture capital firm Scottish Equity Partners LLP. Prior to this he spent 16 years at the international venture capital and private equity company 3i Group plc, latterly as Director in its UK Technology Group.

Hazel Moore, OBE

Non-executive Director

Hazel joined British Patient Capital as an independent Non-executive Director in June 2019.

Hazel is the co-founder and Chair of FirstCapital, an investment bank which provides mergers and acquisitions, private equity and growth capital advice to high-growth technology companies. Hazel is a member of the Future Fifty advisory panel for Tech Nation, the leading programme for scale-up companies in the UK, and is also an Advisory Board Member of Tech Nordic Advocates, the largest ecosystem for tech companies in the Nordic/Baltic region. She was previously a Governing Board member of Innovate UK, the UK's national innovation agency, from 2012 to 2018, and served on the Investment Advisory Panel of the North West Fund from 2010–2013.

Hazel was awarded an OBE in the 2017 New Years' Honours list for services to entrepreneurship and innovation. She won the CBI/Real Business First Women in Finance award in 2016 and the Women in Private Equity Award for Best Corporate Finance Adviser in 2015.



Judith Hartley

Chief Executive Officer
(until 30 September 2022)

During the 2021/22 financial year, Judith was the interim CEO of the British Business Bank's two commercial subsidiaries, British Business Investments and British Patient Capital, having been appointed in 2020 when Catherine Lewis La Torre moved to become interim CEO of British Business Bank. Judith has since been appointed the permanent CEO of British Business Investments. Judith previously held the position of Managing Director of the Bank's UK Network, a team that is physically located within each of the English regions and the three Devolved Nations.

Judith built a career in corporate banking with Barclays and the Bank of Scotland before becoming involved in the delivery of publicly funded access to finance products. Judith was previously the British Business Bank's Managing Director, Lending Solutions, where she was responsible for the delivery of a number of the Bank's debt-based products, including the Enterprise Finance Guarantee, Help to Grow and Start Up Loans. Judith joined the Bank from Capital for Enterprise where she was Managing Director, Debt Markets.

Judith stepped down from the British Patient Capital Board on 30 September 2022.



Catherine Lewis La Torre

Executive Director
and Incoming CEO

(effective from 1 October 2022)

Catherine was appointed Executive Director of British Patient Capital in September 2020 upon her appointment as interim CEO of the British Business Bank. Prior to this, Catherine led the Bank's commercial arm as CEO of British Business Investments (BBI) from 2016, and led both BBI and British Patient Capital from October 2018. Catherine resumed her role as permanent CEO of British Patient Capital on 1 October 2022.

Prior to 2016, Catherine was Head of Private Equity for Cardano Risk Management, managing a global portfolio of private capital investments on behalf of UK pension funds. She was previously a Partner and Managing Director of Paris-based European private equity investor Fondinvest Capital, a Founding Partner of the Nordic private capital fund management firm, Proventure, after which she established a consultancy business advising Sovereign Wealth Funds and Institutional Investors in Asia, the Middle East and the US on their European private capital strategies.



Louis Taylor

Chief Executive Officer,
British Business Bank
(effective from 1 October 2022)

Louis Taylor became CEO of the British Business Bank on 1 October 2022. Prior to that, he was Chief Executive of UK Export Finance (UKEF), the UK's export credit agency, for seven years. He also held roles as a Director General in the Department for International Trade, and a member of its Executive Committee and Management Board.

Before joining UKEF, Louis held a range of senior roles at Standard Chartered Bank, including from 2013 to 2015 as Chief Operating Officer of Group Treasury, based in London. Before that, he spent three years as the bank's CEO for Vietnam, Cambodia and Laos, based in Ho Chi Minh City. During this time he was also Vice Chairman of the European Chamber of Commerce in Vietnam (Eurocham). He joined Standard Chartered in London in 2004, working in Group Corporate Development, which undertakes the bank's acquisitions, divestments and other inorganic growth initiatives.

Louis joined the British Patient Capital Board on 1 October 2022.

Meet our team

We believe in the value of diverse teams; everyone has something different to bring to the table. By appreciating the differences within our own team, and through a collaborative culture, we aim to capitalise on the diversity of experience among our investment professionals.

Our team is spread across our Sheffield and London offices. Over the course of the year, we expanded our direct and co-investment capability and capacity, recruiting specialists in deeptech and life sciences. This increased the number of investment professionals within the team to 24.



Ian Connatty
Managing Director,
Direct and Co-
investments



Christine Hockley
Managing Director,
Funds



Natalie Bangay
Director



Robert Greenwood
Investment Director,
Funds



Michael Laycock
Investment Director,
Funds



Mark Andrews
Investment Director,
Funds (Life Sciences)



Tom Haywood
Investment Director,
Direct and
Co-investments



Anu Adebajo
Senior Investment
Manager, Funds



Tom Allchorne
Senior
Communications
Manager



Sam Baldry
Investment Manager,
Funds



James Burnham
Senior Manager,
Institutional Relations



**Dr. Carmine
Circelli**
Senior Investment
Manager, Direct and
Co-investments
(Life Sciences)



**Dr. Charlotte
Davison**
Investment
Analyst, Direct and
Co-investments
(Life Sciences)



**Alex
Faulconbridge**
Investment Analyst,
Funds



Dr. Arnaud Garçon
Senior Investment
Manager, Funds
(Life Sciences)



Pinky Ghosh
Investment Analyst,
Funds



Chloe Hall
Investment
Manager, Direct
and Co-investments



Jake Hobbs
Investment Manager,
Funds (Life Sciences)



Emma Johnson
Investment
Manager, Direct and
Co-investments
(Life Sciences)



Max Middleton
Senior Investment
Manager, Direct
and Co-investments



George Mills
Senior Investment
Manager, Direct and
Co-investments



Joana dos Reis
Investment Manager,
Funds (Life Sciences)



Chris Smart
Senior Investment
Manager, Funds



**Alexandra
Woodman**
Investment
Analyst, Direct and
Co-investments



David Woods
Investment Manager,
Funds

Not pictured

Richard O'Brien
Investment Manager,
Funds

Our business in numbers

British Patient Capital now invests across three separate programmes, as well as managing capital for a third party investor. The summary information shown on this page sets out our activity across the whole business.

Assets under management³



£3,075m

Total value of all investment programmes managed by British Patient Capital at 31 March 2022

Investments since inception⁴



£1,635m

Total value of all commitments and co-investments made by British Patient Capital as at 31 March 2022

Investment activity during the year⁴



£341m

Value of all commitments and co-investments made by British Patient Capital during the financial year to 31 March 2022

Financial return for British Patient Capital⁵



£339.3m

Profit before tax for the financial year to 31 March 2022



37%

Return on capital (gross) for the financial year to 31 March 2022

³ Includes original value of programmes awarded to British Patient Capital and a mandate from a third party investor.

⁴ Includes investments made on behalf of a third party investor.

⁵ Refers to British Patient Capital only.

Strategic report

A landmark year for UK venture

During the course of 2021, the UK venture market saw record levels of activity, with aggregate investment reaching £28bn, an increase of 124% versus the prior year's total of £12.5bn.⁶

This influx of capital inevitably pushed deal sizes and valuations higher: in 2021, the average pre-money valuation across all investment stages was £34m, representing an 84% increase on 2020. The growth stage showed a particularly material uplift, with the average pre-money valuation of £169m representing an increase of 88% versus prior year.⁷ This robust market also saw 18 UK companies achieving unicorn status over the reporting period,⁸ representing 55% of the current cohort of UK unicorns. This includes four companies from the British Patient Capital portfolio: Thought Machine, GoCardless, Lendable and Wayve.

⁶ Source: British Business Bank Small Business Equity Tracker 2022 analysis of PitchBook.

⁷ Source: British Business Bank Small Business Equity Tracker 2022 analysis of Beauhurst.

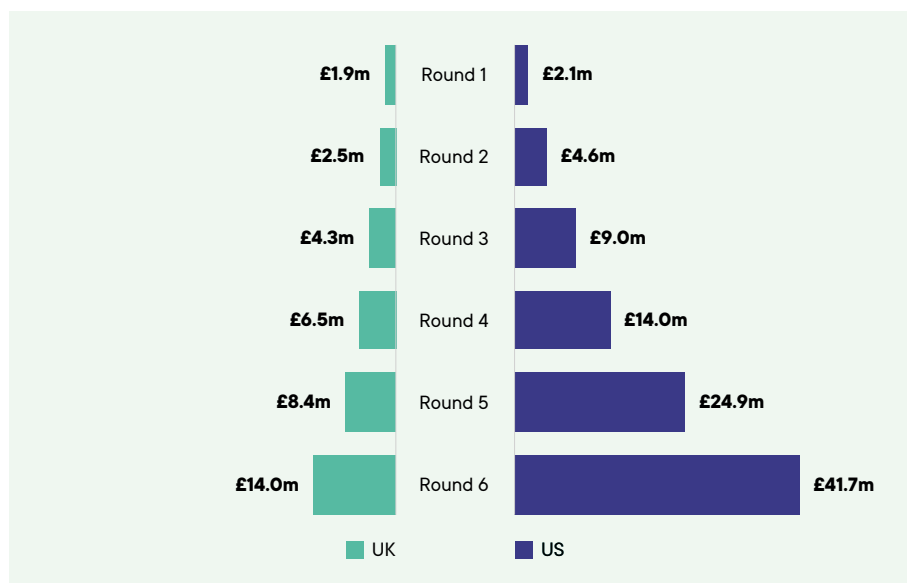
⁸ A unicorn is a private company with a valuation of or greater than \$1bn. The British Business Bank only includes recognises companies that have received venture capital investment as unicorns.

Challenges and opportunities remain

Despite the influx of capital to the UK venture market in recent years, some challenges and in turn opportunities, remain. According to research by the British Business Bank, average UK equity deal sizes are still smaller than their equivalents in US companies at each funding round, with the disparity most pronounced at the growth stage. On average, UK deal sizes at funding rounds five and six are just one third the size of their

US counterparts, suggesting that UK companies would benefit from further availability of funding as they scale up (see Figure 1). As the largest domestic investor in UK venture fund opportunities, British Patient Capital continues to build the ecosystem of UK managers supplying finance to innovative high-growth companies, particularly at the later stage. This has been supplemented by selected direct investments in later stage funding rounds to help those companies achieve an optimal round size for their growth plans.

Figure 1. Average venture capital deal size for companies initially raising in 2012/13 by round number.





Developing Resilient Sources of Funding

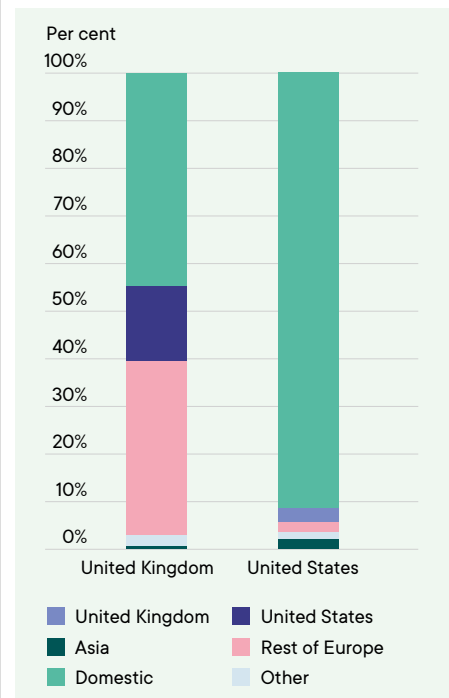
In seeking to increase the availability of venture capital funding, we are also aiming to encourage private sector investors with a long term focus to commit capital alongside us to create a resilient and sustainable base of capital in the UK. Analysis conducted by the British Business Bank suggests that UK venture capital funds are heavily reliant on overseas capital. As Figure 2 shows, 56% of Limited Partner (LP) commitments by value into UK VC funds raised between 2017 and 2021 came from overseas investors. This is in stark contrast to US funds, which received 91% of their commitments from domestic sources over the same time period.

Whilst it is undoubtedly positive that UK managers are able to attract capital from overseas, particularly from the US, the supply of international capital is often less resilient than local capital during times of economic dislocation, which can create substantial volatility in the availability of funding over time. It is therefore important for the UK to build local funding capability to support UK companies across the cycle alongside these overseas investors, particularly given the current economic uncertainty.

This analysis of venture capital funding also shows that UK venture funds receive a materially lower proportion of total commitments from long-term private sector institutional investors than their counterparts in the US. This is most evident in the participation of pensions funds: between 2017 to 2021, pension funds represented just 10% of all capital committed to UK venture capital funds, compared to 72% in the US (see Figure 3).

Given that the UK pension market is one of the largest in the world in terms of assets, we believe there is scope for UK pension funds to increase their allocation to UK venture capital funds. As a domestic source of capital, this would not only increase the total amount of funding available to innovative UK companies, but also could improve its resilience over the cycle. This also means that UK savers are able to benefit from the value created by our innovative, high growth success stories. In making commitments to UK-focused venture funds, British Patient Capital seeks to support their fundraising momentum to attract these long term UK investors. By investing on a commercial basis, we are also aiming to encourage their participation by demonstrating the value creation potential of UK venture capital as part of a balanced institutional investment portfolio.

Figure 2: LP composition by VC fund location, value of commitments made by domestic and overseas LP's between 2017–2021.



Source: British Business Bank user defined search of PitchBook and reclassification of LPs. (Data has not been reviewed by PitchBook analysts and may differ to PitchBook's own figures)

“ Given the UK pension market is one of the largest in the world in terms of assets, we believe there is scope for UK pension funds to increase their allocation to UK venture capital funds. ”

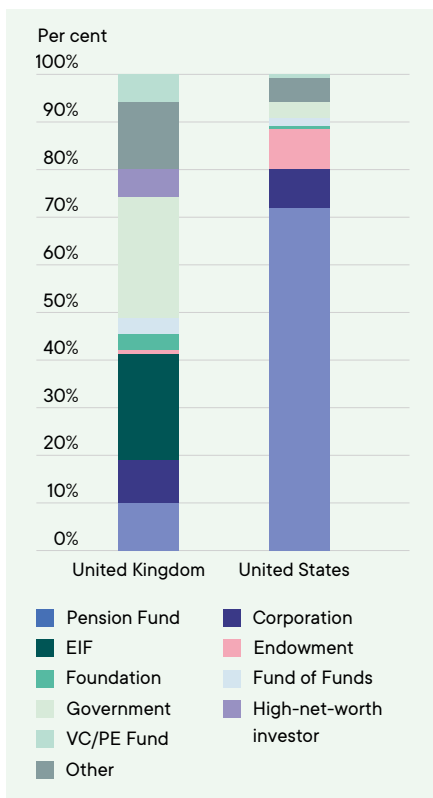
“
 The UK has a broad base of world-class universities with a strong track record of research and scientific development and the commercialisation of such research offers the opportunity to address some of the most pressing challenges faced by society.
 ”

Spotlight on R&D intensive companies

As the UK venture market has developed over the past few years, the economic and societal potential inherent in R&D intensive companies has started to gain recognition. The UK has a broad base of world-class universities with a strong track record of research and scientific development and the commercialisation of such research offers the opportunity to address some of the most pressing challenges faced by society. These include the transformation of major industries, the development of new medicines and the transition to a net zero economy. The companies created through this commercialisation also offer the potential to transform the economy and create new jobs and shareholder value that will support the UK's future prosperity.

This type of company is characterised by high research and development costs and an extended runway to profitability, which means that breakthrough technology companies typically require more capital than other technology companies to achieve commercial success. However, despite the substantial growth in the overall venture capital ecosystem in the UK in recent years, the fund manager ecosystem for R&D intensive companies in the UK remains nascent, restricting the availability of capital for these breakthrough technologies. For example, British Business Bank research on companies in the 'deeptech' area of the R&D intensive universe indicates that whilst UK deeptech companies raise a similar number of rounds to their US counterparts, they receive significantly less funding overall on a GDP-weighted basis. This is particular evident at the later funding rounds: whilst early stage funding rates are similar for deeptech companies in the UK and the US, UK companies raise substantially less at each subsequent round. US rounds are 1.8x larger on average at round one, increasing to 4.5x on average by round six.⁹

Figure 3: LP composition by VC fund location, value of commitments made by LP's between 2017–2021



Source: British Business Bank user defined search of PitchBook and reclassification of LPs. (Data has not been reviewed by PitchBook analysts and may differ to PitchBook's own figures)



⁹ Source: British Business Bank Small Business Equity Tracker 2021 analysis of PitchBook.

In order to capture both the societal benefits and the commercial returns available from transformational technologies, it is therefore critical for the UK to develop funding channels that are aligned with the particular investment horizon and specific challenges of investing in this sub sector. Since inception, the core British Patient Capital programme has sought to achieve this via commitments to specialist deeptech and life sciences funds, as well as a number of more generalist funds that have a particular interest in certain types of R&D intensive company. By launching two new programmes focused around supporting R&D intensive companies, both through funds and through direct participation in company funding rounds, we are consolidating our existing activity to support more breakthrough companies in reaching their potential in the UK.



Company case study

Paragraf

Programmes:

Core programme, Future Fund: Breakthrough

Core programme fund manager:

Molten Ventures

Paragraf develops and delivers game-changing, commercial-quality, graphene-based electronic devices. These use contamination-free technology that is both scalable and compatible with existing electronic device manufacturing production processes.

Since graphene was first isolated, it has been hailed as a 'wonder material' because of its unique properties. It's a highly electrically and thermally conductive material that balances strength and flexibility and can withstand extreme environments. However, mono-layer graphene has proven very hard to produce at scale without transfer contamination. Paragraf is the first company worldwide to deliver a

scalable approach to graphene electronic device manufacturing, by utilising its proprietary direct-to-wafer technology.

Paragraf's primary products, the graphene magnetic field sensor range, are used in a vast array of industries across the world of tech, from aerospace to healthcare to industrial and quantum computing spaces.

The company, which was formed as a spinout from the Department of Materials Science at Cambridge University in 2017, was first backed by Molten Ventures at Series A in 2019. British Patient Capital first invested directly at Series B in 2022, via Future Fund: Breakthrough.

"Our Series B financing will enable us to scale our organisation and manufacturing capacity to generate and meet increasing sales demand across the UK, US, EU and Asian markets."



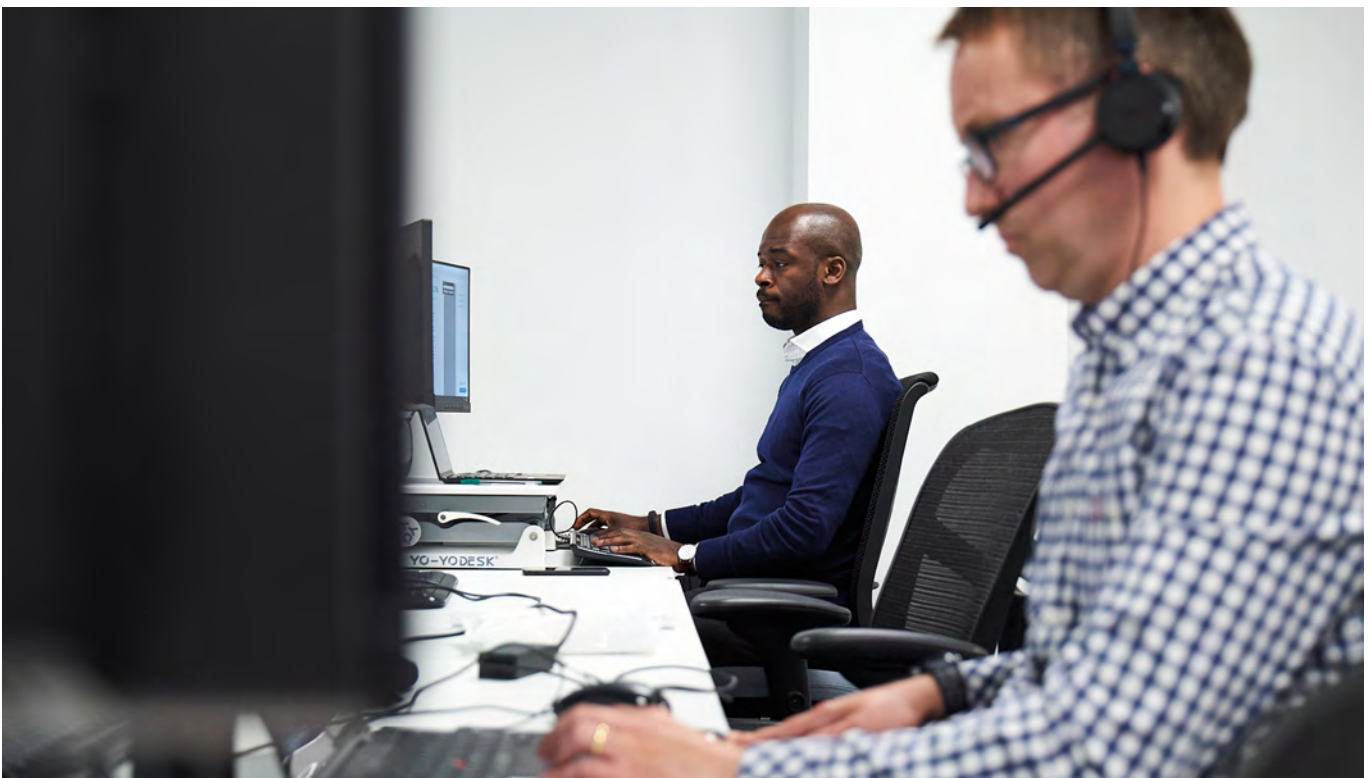
Our business

British Patient Capital was launched in 2018 with an initial funding envelope of £2.5bn to support the development of innovative, high-growth UK companies via commitments to venture capital funds and co-investments in individual companies.

Following the establishment of two new programmes during the year to March 2022, British Patient Capital now manages three separate investment programmes, each seeking to support a specific area of the innovation market but with a common focus on supporting later stage companies:

- Core programme (funds and co-investments)
- Life Sciences Investment Programme (funds)
- Future Fund: Breakthrough (direct investments)

Across all our programmes, British Patient Capital invests on a commercial basis to deliver competitive returns for the UK taxpayer. By demonstrating that a patient capital approach can produce commercially attractive returns, we aim to encourage other UK institutional investors to invest in the asset class, to both drive and benefit from the success of our high-growth companies.



Core programme

The financial year to March 2022 marked the fourth year of operation for the core £2.5bn investment programme. During this time, it has become the largest domestic investor in UK venture capital funds with an emerging co-investment business, all focused on supporting innovative UK companies.

On the funds side, our Core programme invests in venture and venture growth funds which have the UK as a core part of their strategy and have the capabilities to select and support their portfolio companies as they scale. Our primary focus is on supporting later stage/ venture growth funds, but the programme does also make selected commitments to early stage funds, to build a pipeline of growth companies. In making these commitments, we seek to build long-term relationships with best-in-class managers, enabling the growth of the UK patient capital ecosystem.

These fund investments are supplemented by co-investments alongside our portfolio managers in the most promising UK companies as they raise later stage funding. This consolidates our support for the scaleup phase by increasing the size of funding rounds, as well as increasing our exposure to potential winners in a capital efficient manner.

Investment activity during the year

Over the course of 2021/22, we invested £228m from our original core mandate through 10 new commitments to funds and two new co-investments. We now have 61 fund investments and relationships with 39 fund managers in the Core programme, as well as co-investments in four companies.

During the year we continued to orientate the portfolio towards the venture growth stage, driven by commitments to new funds raised by existing portfolio managers Frog Capital, SEP and Oxx. These commitments were supplemented by the establishment of new relationships with venture fund managers Eurazeo, Partech and Finch Capital.

Explanation of key portfolio performance metrics

TVPI (total value to paid in):

this is the ratio of aggregate value generated by all investments in the British Patient Capital portfolio versus the aggregate amount that British Patient Capital has paid into those investments. The value generated is a combination of realised investments and those remaining unrealised at the reporting date. In the case of the British Patient Capital core programme, this TVPI number includes both fund investments and co-investments.

IRR (internal rate of return):

this measures the annualised return of the British Patient Capital portfolio since inception (both realised and unrealised). It uses the same underlying data points as the TVPI measure, with the value of British Patient Capital portfolio investments expressed as an annualised percentage of capital paid into those portfolio investments since inception, taking account of the time value of money.

DPI (distributed to paid in): this is the ratio of aggregate distributions received by British Patient Capital from the underlying investments versus the aggregate amount of capital that British Patient Capital has paid into those investments.

Our Core programme in numbers

Investments since inception



£1,266m

Value of all commitments and co-investments since inception

Investment activity during FY 2021/22



10

Number of new fund commitments in the year



2

Number of new co-investments in the year

Core programme portfolio performance



1.8x

Total value to paid in (TVPI) at 31 March 2022



32.9%

Internal rate of return (IRR) at 31 March 2022

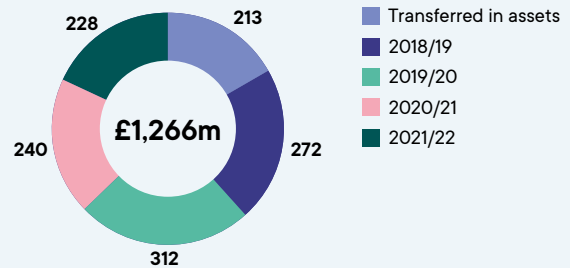


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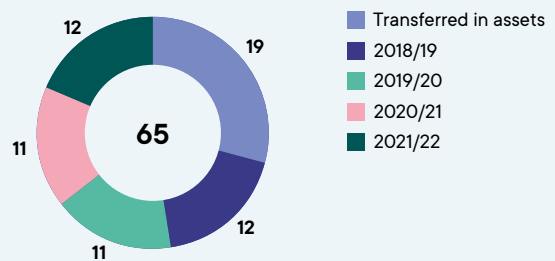
Distributed to paid in (DPI) at 31 March 2022

Portfolio Composition

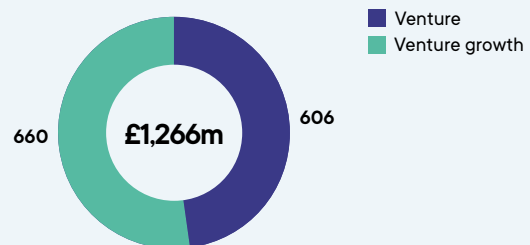
Total value of all commitments and co-investments by vintage (£m)



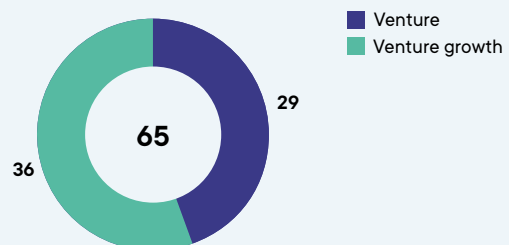
Total number of commitments and co-investments by vintage



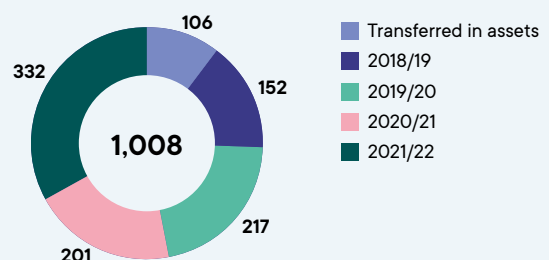
Total value of commitments and co-investments by stage (£m)



Total number of commitments and co-investments by stage



Number of underlying portfolio companies by vintage¹⁰



¹⁰ Underlying portfolio companies from fund commitments

Our fund managers



Our co-investments



British Patient Capital's co-investments supplement the portfolio's later stage exposure; during the financial year to March 2022, we participated in accuRx's £27.5m Series B funding round and Paragraf's \$60m Series B funding round. We also provided follow-on capital to our existing co-investments in Thought Machine and Quantexa through their Series C and D rounds, respectively.

In addition to this later stage activity, we have also made selected investments in funds focused on early-stage deals to help build the pipeline of later stage companies. To this end, BPC has continued to support existing managers IQ Capital, Balderton and Hoxton with their latest early-stage funds, alongside a new commitment to Cambridge Innovation Capital Fund II as we further develop the R&D intensive exposure in the core portfolio.

Performance to date

The performance of the core portfolio was very strong over the year to 31 March 2022, with the TVPI increasing substantially from 1.51x at 31 March 2021 to 1.80x at 31 March 2022, and the gross portfolio IRR increasing from 25.3% to 32.9% over the same period. Despite the portfolio being relatively immature with the majority of gains to date being unrealised, there have been some early realisations, which increased the portfolio DPI multiple from 0.10x at 31 March 2021 to 0.15x at 31 March 2022.



Company case study

Paddle

Core programme Fund managers:

Kindred Capital, Notion Capital

Paddle is an all-in-one payment infrastructure solution for software as a services ("SaaS") businesses. Covering payments, billing, and sales tax compliance, Paddle brings together the many complicated parts of providing a billing and payments service, enabling software sellers to scale quickly.

Kindred Capital first invested in Paddle through its Series A round in 2016 with Notion Capital leading the Series B funding round in 2018. Both Kindred and Notion have participated

in subsequent rounds, including the most recent Series D round in 2022 where Paddle achieved unicorn status. Paddle will use the recent investment to strengthen the growth of its platform to meet the global market opportunity.

Paddle's software is used by over 3,000 software companies in more than 200 markets worldwide. Paddle has more than doubled its revenue growth since November 2020, with an average annual revenue growth of over 175% over the last four years. Its team has grown from 140 to 275 across offices in London and New York.

"Financing has been instrumental in allowing us to grow faster and expand globally to realise our long-term vision for the company."

paddle

Company case study

AutoRek

Core programme

Fund manager: Scottish Equity Partners

Headquartered in Glasgow, with offices in Edinburgh, London and New York, AutoRek is a leading software provider to the global financial services sector. Its clients span the asset management, banking and insurance sectors and include commercial banks, payment platforms, fintech start-ups and established life and pensions companies.

The company sits within the large and high growth, regulatory and financial data management sub-sector of the broader RegTech market. This is a significant focus area for financial institutions, with data management becoming increasingly complex and errors potentially leading to workflow challenges, costly delays and compliance breaches.

AutoRek’s software platform allows firms to automate and streamline the collection, validation and reconciliation of data. This facilitates the necessary transparency for good governance and fulfilling regulatory obligations. Efficiency and cost reduction are delivered by eliminating spreadsheets

and manual processing, as well as mitigating operational and regulatory risk associated with managing high volumes of data.

The firm has over 85 employees. Scottish Equity Partners made a significant growth equity investment in AutoRek in 2021.

“Following several years of significant growth, investment has enabled an acceleration of product development and further international expansion. With extensive experience in supporting the growth of SaaS businesses, SEP is an ideal investment partner.”





Fund manager case study IQ Capital

Core programme

IQ Capital is a Cambridge based venture capital firm backing deeptech founders from Seed and Series A. IQ has invested over \$500m, attracting \$1.5bn co-investment, in one hundred companies addressing some of the world's most pressing challenges.

Since inception, British Patient Capital has been a consistent cornerstone investor in IQ Capital funds. The initial engagement with IQ was via its early-stage fund programme, and British Patient Capital has since supported the firm's expansion with a commitment to its first growth stage fund, aimed at

helping outperformers to scale beyond Series B to achieve bigger outcomes and maximise returns. This sustained support has enabled IQ Capital's development into a venture growth deeptech investor, building on its overall mission to power transformational innovation by investing in ambitious deeptech founders, developing highly differentiated and potentially world-changing IP.

“British Patient Capital has been a strong partner to IQ Capital, both as an investor in our funds and as a direct co-investor. In terms of research, founder talent and start-ups the UK is thriving. British Patient Capital's investment activity fosters this ecosystem which promises to create ever more global companies.”

IQ CAPITAL

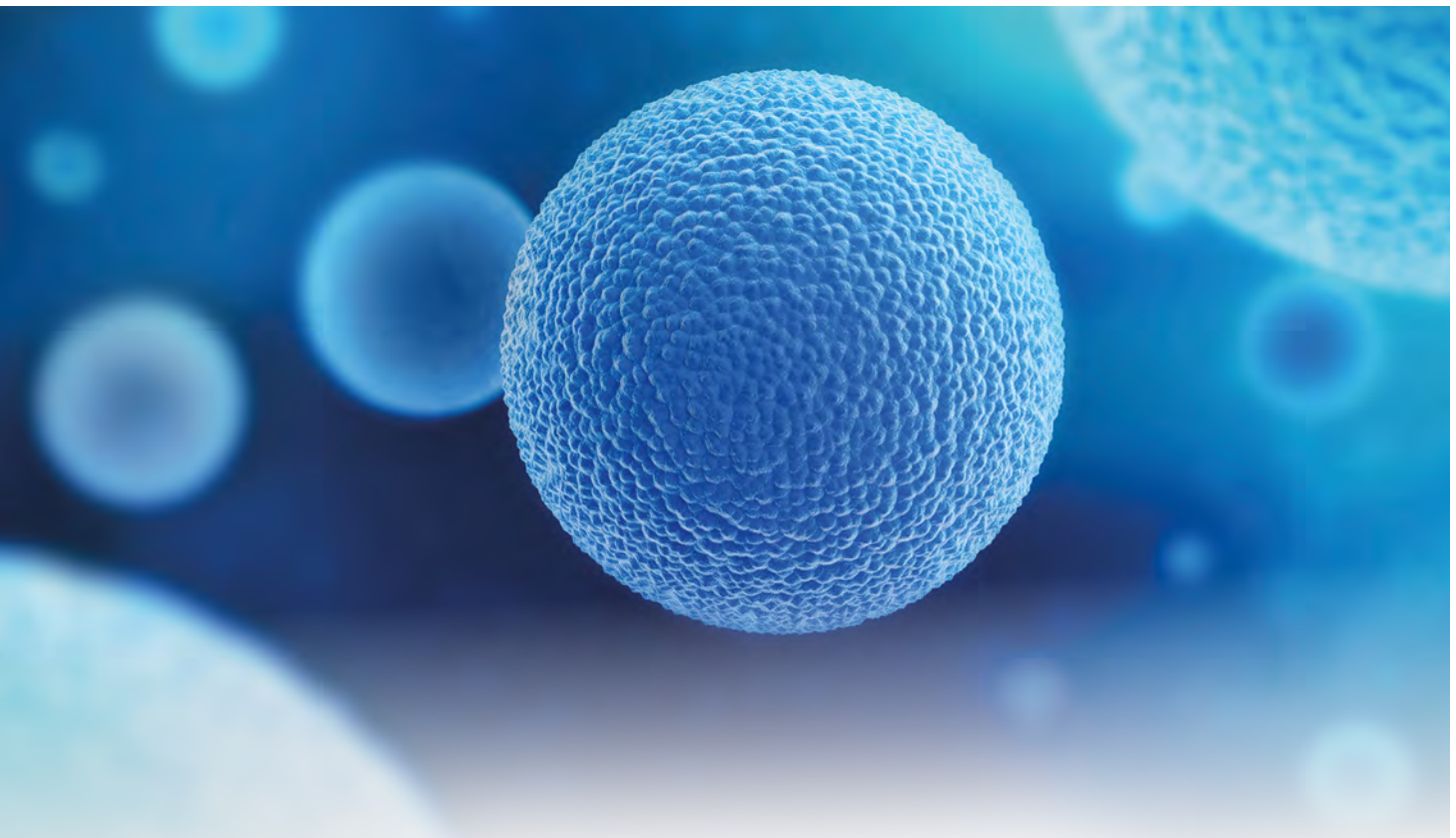
Life Sciences Investment Programme

In July 2021, British Patient Capital expanded its activity in the life science sector with the launch of the Life Sciences Investment Programme ('LSIP').

LSIP is a £200m fund investment programme that has been designed to address the growth equity finance gap faced by high-potential UK life sciences companies, as well as building out the later stage life science fund manager ecosystem. The objective of the programme is to make a small number of material cornerstone commitments to managers with a substantial UK presence which are seeking to raise a later stage growth fund with a strong focus on the UK.

Investment activity during the year

British Patient Capital made its first commitment from the Life Sciences Investment Programme during the financial year, which we expect to announce in the coming months. We have been encouraged by the engagement from life sciences managers since the launch of this programme, and our dedicated life sciences team is working closely with a number of managers as we seek to make further commitments.



Future Fund: Breakthrough

During the year, we also launched Future Fund: Breakthrough, a £375m programme that invests directly in growth rounds for R&D intensive companies.

The programme is differentiated from the core British Patient Capital co-investment programme by its targeted focus on UK-based companies which have a high R&D intensity and which are developing defensible intellectual property that is expected to be the company's main revenue source. Companies eligible for this programme will have previously raised at least £5m of equity investment and will be seeking more than £30m in a new funding round anchored by a credible lead investor.

Investment activity during the year

The programme was launched in July 2021 and during the nine months from inception to year end, FF:B made investments in five companies. On the life sciences side, these investments were in Epsilogen, which develops novel therapeutic antibodies to treat cancer, Microbiotica, whose technology uses the body's resident bacteria to develop medicines for a range of diseases and Quell Therapeutics, which develops engineered T-regulatory (Treg) cell therapies for serious medical conditions driven by over activity of the immune system.

On the deep technology side, British Patient Capital has invested in graphene specialist Paragraf and metaverse enabler Ultraleap, whose hand tracking technologies allow users to engage with the digital world without the need for touchscreens, controllers or keypads.

Future Fund: Breakthrough investments



Company case study

Ultraleap

Programme:

Future Fund: Breakthrough

Ultraleap's mission is to remove boundaries between the physical and digital worlds, becoming the primary interface for the metaverse. The company's hand tracking and mid-air haptic technologies allow users to engage with the digital world without touching surfaces, removing the need for touchscreens, controllers or keypads.

Focusing on extended reality, automotive and retail sectors, Ultraleap enables natural, safe and effortless digital interaction in the increasingly connected world. With headquarters in Bristol, Ultraleap employs more than 170 people across Europe, North America and Asia.

In 2021 British Patient Capital invested, via Future Fund: Breakthrough, in Ultraleap's £60m Series D funding round.

“We're seeing huge demand for our technologies. Since the investment, we've already been able to release more software improvements and increase our investment into R&D. We are now able to live our mission to remove boundaries between the physical and digital worlds.”

ultraleap 

Managing our risks and corporate governance

Risk management and internal control

British Patient Capital does not hold regulatory capital and is not regulated by the Financial Conduct Authority (FCA) or the Prudential Regulation Authority (PRA). However, British Patient Capital is registered with the FCA (FRN 930732) and supervised for anti-money laundering purposes. Registration was completed on the 11 November 2020. Whilst registration with the FCA does not require an entity to comply with the FCA Senior Management Arrangements, Systems and Controls (SYSC), British Patient Capital is, however, subject to other applicable laws and regulations and is committed to ensuring high standards of corporate governance.

British Patient Capital operates within the Risk Management and Governance Framework of the British Business Bank and has its own Investment Committee. A full description of the Risk Management Framework of the British Business Bank is included within its Annual Report. The main aspects of the framework are:

- a collection of tools, processes and methodologies that support British Patient Capital in identifying, assessing, monitoring and controlling the risks it faces in delivery of its strategic objectives
- a Risk Appetite Policy which British Patient Capital is subject to; however, the British Patient Capital Board approves the company's own Risk Appetite Statement
- risk governance based on the 'three lines of defence' model
- a wide range of policies, frameworks and procedures which take account of regulatory or legal requirements and industry best practice.

The key operational risks the company is exposed to are:

- maintaining a suitably qualified investment team and Board to deliver the company's investment strategy
- ensuring systems and processes support investment decisionmaking, reporting and portfolio management
- procuring appropriate support across a range of services from British Business Bank plc including: finance, legal, risk, IT and communications.

The key financial risks the company is exposed to are detailed in note 13 of the accompanying financial statements.

Catherine Lewis La Torre
Chief Executive Officer

9 November 2022

Directors' report

The Directors present their Annual Report on the affairs of the company, together with the Financial statements and auditors report, for the period ended 31 March 2022.

The following information required by the Companies Act 2006 can be found in the following sections of the Annual Report, which are incorporated by reference into this report:

- a description of the principal activities of the company during the course of the period, an indication of likely future developments in the business and the key operational and financial risks the company is exposed to are all included in the Strategic Report
- details of significant events since the balance sheet date are contained in note 16 to the Financial statements
- information about the use of Financial Instruments by the Company is given in note 13 to the Financial statements
- British Patient Capital, due to its size, is not required to publish a Section 172 statement about how its directors have fulfilled their duties.

Dividends and reserves

No dividends have been paid or proposed for the year ended 31 March 2022.

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 significant accounting policies notes in the Financial statements.

Directors

The Directors who held office during the period were as follows:

- Russell Cummings, Chair
- Judith Hartley, CEO
- Catherine Lewis La Torre, Executive Director
- Hazel Moore, Non-executive Director

British Patient Capital has not made any political donations or incurred any political expenditure during the financial year.

Appointment and removal of Directors

The Articles of Association provide that any appointment of a Director to the Board of British Patient Capital requires the prior consent of the shareholder. Additionally, where the appointee is not already an employee of the group, the prior written consent of the Secretary of State for Business, Energy & Industrial Strategy is required. No person may be removed as a Director without the prior written consent of the Secretary of State for Business, Energy & Industrial Strategy.

Attendance at Board meetings

Russell Cummings	9/10
Hazel Moore	10/10
Judith Hartley	9/10
Catherine Lewis La Torre	8/10

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.

Directors' confirmations in relation to the audit

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S 418 of the Companies Act 2006.

Approved by the Board of Directors.



Catherine Lewis La Torre

Chief Executive Officer

9 November 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the 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 (IFRS), interpretations issued by the IFRS Interpretations Committee and those parts of the Companies Act 2006 applicable to companies reporting under IFRS, 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, the Directors are required to:

- 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 IFRS 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
- 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. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the Financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces
- 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.

Approved by the Board of Directors.



Catherine Lewis La Torre
Chief Executive Officer

9 November 2022

Independent auditor's report

To the members of British Patient Capital Limited

Opinion on financial statements

I have audited the financial statements of British Patient Capital Limited for the year ended 31 March 2022 which comprise British Patient Capital Limited's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the statements is applicable law and the UK adopted International Accounting Standards, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of British Patient Capital Limited's affairs as at 31 March 2022 and its profit for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) and applicable law. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of British Patient Capital Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that British Patient Capital Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the letter of comfort from BBB plc to continue to provide sufficient funding for British Patient Capital Limited. The basis for the going concern assessment is supported by the evidence provided.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the British Patient Capital Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the strategic and Directors' report but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of British Patient Capital Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit;

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing British Patient Capital Limited'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (ISAs) (UK).

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of British Patient Capital Limited's accounting policies inquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to British Patient Capital Limited policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including British Patient Capital Limited's controls relating to compliance with the Companies Act 2006,
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Evaluating significant estimates made by management in the production of the financial statements, in particular the fair value measurement of financial instruments.

As a result of these procedures, I considered the opportunities and incentives that may exist within British Patient Capital Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimate. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of British Patient Capital Limited's framework of authority as well as other legal and regulatory frameworks in which the British Patient Capital Limited operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of British Patient Capital Limited. The key laws and regulations I considered in this context included Companies Act 2006, employment law and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims
- reading and reviewing minutes of meetings of those charged with governance and the Board and;

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Susan Clark
Senior Statutory Auditor

9 November 2022

For and on behalf of the
Comptroller and Auditor General
(Statutory Auditor)

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Statement of comprehensive net income

For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Income			
Net gains on investment assets	9	354,046	195,751
Management fee income		1,491	1,430
Net operating income		355,537	197,181
Expenditure			
Staff costs	4.1	(2,717)	(1,841)
Other operating expenditure	5.1	(1,217)	(791)
Management fee expense	5.2	(12,353)	(10,609)
Operating expenditure		(16,287)	(13,241)
Profit before tax		339,250	183,940
Tax	6.1	(87,064)	(38,344)
Profit for the year after tax		252,186	145,596
Other comprehensive income		-	-
Total comprehensive income for the year		252,186	145,596

All operations are continuing.

The Company has no other recognised gains and losses, therefore no separate statement of other comprehensive income has been presented.

The notes on [pages 36 to 48](#) form an integral part of the Financial statements.

Statement of financial position

As at 31 March 2022

	Note	2022 £000	2021 £000
Assets			
Cash and cash equivalents	7	14,765	13,369
Trade and other receivables	8	2,271	46
Investments held at fair value through profit or loss	9	1,253,388	665,944
Corporation Tax receivable	6.2	-	1,486
Total assets		1,270,424	680,845
Liabilities			
Trade and other payables	10	(68,967)	(24,208)
Deferred tax liability	6.3	(130,167)	(42,333)
Total liabilities		(199,134)	(66,541)
Net assets		1,071,290	614,304
Equity			
Issued share capital	12	667,523	462,723
Retained earnings		403,767	151,581
Total equity		1,071,290	614,304

The Financial statements of the Company (company number 11271076) were approved by the Board of Directors on 9 November 2022 and authorised for issue on the date of the independent auditor's report. They were signed on its behalf by:

Catherine Lewis La Torre

Chief Executive Officer

The notes on [pages 36 to 48](#) form an integral part of the Financial statements.

Statement of changes in equity

As at 31 March 2022

	Note	Issued capital £000	Retained earnings £000	Total £000
Balance at 1 April 2020		195,723	5,985	201,708
Net income after tax		-	145,596	145,596
Total comprehensive income		-	145,596	145,596
Issue of ordinary shares	12	267,000	-	267,000
Balance at 31 March 2021		462,723	151,581	614,304
Balance at 1 April 2021		462,723	151,581	614,304
Net income after tax		-	252,186	252,186
Total comprehensive income		-	252,186	252,186
Issue of ordinary shares	12	204,800	-	204,800
Balance at 31 March 2022		667,523	403,767	1,071,290

The notes on [pages 36 to 48](#) form an integral part of the Financial statements.



Cash flow statement

For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Profit before tax		339,250	183,940
Cash flows from operating activities			
Changes in operating assets and liabilities:			
Net increase in assets at fair value through profit or loss	9	(587,444)	(340,875)
(Increase)/decrease in trade and other receivables	8	(2,225)	545
Increase/(decrease) in trade and other payables	10	44,759	(110,442)
Intercompany tax settlement		2,256	-
Net cash used in operating activities		(203,404)	(266,832)
Cash flows from financing activities			
Issue of new shares	12	204,800	267,000
Net cash from financing activities		204,800	267,000
Net increase in cash and cash equivalents		1,396	168
Cash and cash equivalents at beginning of the year		13,369	13,201
Cash and cash equivalents at end of the year		14,765	13,369

The notes on [pages 36 to 48](#) form an integral part of the Financial statements.

Notes to the Financial statements

For the year ended 31 March 2022

1. General information

British Patient Capital Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Steel City House, West Street, Sheffield, S1 2GQ.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on [pages 11 to 25](#).

2. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS). The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

The Financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. 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.

These Financial statements are presented in pounds sterling because that is the currency of the primary economic zone in which the Company operates.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has received a letter of support from the British Business Bank plc stating it will provide sufficient funding to enable the Company to meet its liabilities as and when they fall due for a period of not less than twelve months from the date of approval of these Financial statements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the Financial statements.

Adoption of new and revised Standards

There were no new or amended standards applied for the first time and therefore no restatements of the previous Financial statements required.

At the date of authorisation of these Financial statements, the Directors do not expect that the adoption of Standards and Interpretations in issue but not yet effective will have a material impact on the Financial statements of the Company in future years.

Income recognition – management fee income

Management fee income is recognised when a recipient obtains control of the service.

Income is measured at 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.

Tax

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 Statement of Comprehensive Net Income 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 in future years will be available against which deductible temporary differences can be utilised.

Current and deferred tax are recognised in the Statement of Comprehensive Net Income.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, less directly attributable transaction costs, except for the transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss which are recognised immediately in the Statement of Comprehensive Net Income.

Classification of financial instruments

Financial assets are classified under IFRS 9 as amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) depending on the business model and the contractual cash flow characteristics of the instruments.

The Company has undertaken an assessment of the business model in respect of each group of its financial assets and has determined that in all cases the business model is one of 'Hold to Collect' as none of its business models has an objective of sale.

The Company's financial assets comprise debt and equity instruments. Debt instruments are classified both at initial recognition and subsequently, as amortised cost instruments, where the contractual cash flows represent solely payments of principal and interest (SPPI). If the cash flows do not represent SPPI, the instrument is measured at FVTPL.

All of the Company's equity instruments are measured at FVTPL, both on initial recognition and subsequently.

The Company currently has no financial instruments recognised as amortised cost or FVOCI according to IFRS 9 classification.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Trade and other receivables

Trade and other receivables are measured at amortised cost.

Trade and other payables

Trade and other payables are classified and subsequently measured at amortised cost.

Foreign exchange

The Company applies IAS 21 The Effects of Changes in Foreign Exchange Rates, and transactions that are denominated in a foreign currency are translated into sterling at the rate of exchange ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are retranslated at the rates of exchange ruling at that date. Translation differences are recognised as fair value movements in the Statement of Comprehensive Net Income.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects current and future years.

Judgements

Debt and equity fund net asset values used in the assessment of FVTPL fund investment valuations

The future returns from FVTPL fund investments are inherently uncertain and will depend on a range of factors including the manager's success in originating lending and investment opportunities, costs and fees, how the manager exercises discretion in trading off equity against debt components in loan structures, credit and warrant/equity performance, and prevailing market conditions.

The values of the Company's investments in FVTPL debt and equity funds are based on the fund net asset values (NAVs). In general, the fund's investments in underlying portfolio companies do not have observable market inputs which can be used for the purposes of measuring fair value and are therefore valued using Level 3 inputs as defined by IFRS 13. The managers of the funds apply valuation methodologies in compliance with IFRS or other recognised accounting standards such as UKGAAP. Most of the Company's investment funds apply IFRS valuation methodologies or apply the International Private Equity and Venture Capital (IPEV) Valuation Guidelines.

The Company's direct investments in Co-investment and Future Fund: Breakthrough are not considered fund investments and therefore not based on fund NAVs.

The ongoing economic uncertainty and to a lesser extent Covid-19 pandemic has given rise to significant additional uncertainty as to investment valuations and the Company has taken account of this in its assessment of the March 2022 valuations by giving particular scrutiny to the valuation methodologies adopted by its fund managers, ensuring that they are appropriate and consistent with IFRS, IPEV or other relevant guidelines.

Valuations of FVTPL direct investment valuations

Measuring fair value of financial instruments that are not traded in active markets requires judgement, as there will often be a range of techniques or prices that could plausibly be applied. The valuation approach applied to direct investments is described within note 13.

4. Staff numbers, staff costs and Directors' remuneration

4.1 Staff numbers and staff costs

The average monthly number of employees including Executive Directors was:

	2022	2021
Permanent staff	25	17
Non-executive Directors	2	2
Total	27	19

Aggregate remuneration comprised

	2022 £000	2021 £000
Wages and salaries		
– Permanent staff	1,754	1,204
Non-executive Directors' fees	50	45
Short and Long-Term Incentive Plans and annual bonus scheme	355	249
Social security costs	291	174
Pension costs	267	169
Total	2,717	1,841

The Company's two incentive plans (the Long-Term Incentive Plan and the annual bonus scheme) are managed on a Group-wide basis by the British Business Bank plc. Further details are set out in the British Business Bank plc's Annual Report and Accounts within the Directors' Remuneration Report.

4.2 Directors' remuneration

Directors' remuneration during the year was £153,887 (2021: £205,900). Remuneration for the highest paid Director during the year is covered under Executive Directors' remuneration below.

Executive Directors' remuneration

Judith Hartley received a salary of £85,000 (2021: £49,583), a payment under the British Business Bank plc Performance Bonus Plan for the period ended 31 March 2021 of £39,950 (2021: £18,346), company pension contributions of £12,750 (2021: £7,438) and £417 (2021: £204) taxable benefits. Judith also received a payment under the British Business Bank plc LTIP for the three-year period ended 31 March 2022 of £15,770 (2021: £32,218). Judith did not participate in any new long-term incentive arrangement for the year 2021/22. Judith's remuneration is split on a 50:50 basis with British Business Investments Limited and disclosure of her remuneration in that role is dealt with in the Directors' remuneration note of British Business Investments Limited.

4.2 Directors' remuneration (continued)

Non-executive Directors' remuneration

Non-executive Directors' remuneration for 2022 and 2021 is made up as follows:

	2022		2021	
	Total fees £000	Annual equivalent £000	Total fees £000	Annual equivalent £000
Russell Cummings	30	30	25	25
Hazel Moore	20	20	20	20
Total	50	50	45	45

Fees for services as Non-Executive Director of the Company are £20,000 per annum, or £25,000 for a Chair. In addition, a fee of £4,995 per annum is paid to the Company's audit and risk champion.

No post-employment benefits, termination benefits or share-based payments were made to Directors in the year (2021: none).

5. Operating costs

5.1 Other operating expenditure

	2022 £000	2021 £000
Audit fee	85	70
Investment costs	707	344
Other operating expenditure	425	377
Total	1,217	791

A fee of £85,000 (2021: £70,000) plus VAT was charged for the audit of the Company's Financial statements. The Company's auditors did not provide any non-audit services.

5.2 Management fee expense

	2022 £000	2021 £000
Allocated staff costs	4,224	4,315
Allocated other operating expenditure	8,129	6,294
Total	12,353	10,609

Allocated staff costs and allocated other operating expenditure relate to recharges paid by the Company to its parent, the British Business Bank plc, for the shared services provided. Allocated staff costs include an allocation of the parent company's legal, financial, IT, risk management, corporate services, communications, and senior management costs.

6. Tax

6.1 Tax on profit on continuing activities

	2022 £000	2021 £000
Current tax		
Current year	-	(412)
Adjustment in respect of prior years	(770)	(3,591)
Total current tax	(770)	(4,003)
Deferred tax		
Current year	87,768	37,142
Adjustment in respect of prior years	66	5,205
Total deferred tax	87,834	42,347
Total tax on continuing activities	87,064	38,344

Factors affecting the tax expense for the year

The tax expense for the year is different from the standard rate of Corporation Tax in the UK as explained in the table below. The Corporation Tax rate used is based on the enacted Corporation Tax rate for the year commencing 6 April 2022.

The table below reconciles the tax charge for the year:

	2022 £000	2021 £000
Profit before tax	339,250	183,940
Tax on profit at standard UK tax rate 19%	64,458	34,949
Chargeable gains	(10,741)	1,781
Adjustments in respect of prior year	(704)	1,614
Movement of unrecognised losses	2,811	-
Tax rate changes	31,240	-
Total tax charge	87,064	38,344

Deferred Corporation Tax

	Unrealised losses		Deferred tax	
	2022 £000	2021 £000	2022 £000	2021 £000
Change in tax rate	-	-	(13,389)	-
Short term temporary differences	-	274	-	52
Other timing differences*	(297,779)	(223,153)	(74,445)	(42,399)
Other timing differences subject to deferred tax	(297,779)	(222,879)	(87,834)	(42,347)

* Other timing differences arise principally in relation to fair value adjustments to the carrying value of investments recorded in the Statement of Comprehensive Net Income for which chargeable gains/allowable losses will arise on a subsequent disposal of the underlying investments.

6.2 Corporation Tax receivable

	2022 £000	2021 £000
Corporation Tax (receivable)/payable at 1 April	(1,486)	2,517
Tax expense for the year	(770)	(4,003)
Intercompany tax settlement	2,256	-
Corporation Tax receivable at 31 March	-	(1,486)

6. Tax (continued)

6.3 Deferred tax liability

	2022 £000	2021 £000
Deferred tax (liability)/asset at 1 April	(42,333)	14
Movement in the year	(87,834)	(42,347)
Deferred tax liability at 31 March	(130,167)	(42,333)

In the March 2021 UK Budget, it was announced that the UK rate of Corporation Tax will increase from 19% to 25% effective from 1 April 2023. The change was enacted on 10 June 2021, and as a result the closing deferred tax liability has been measured at a rate of 25%. The impact on the change in tax rate is expected to occur when the deferred tax balances unwind.

7. Cash and cash equivalents

	2022 £000	2021 £000
Government Banking Service	14,765	13,369
Total	14,765	13,369

8. Trade and other receivables

	2022 £000	2021 £000
Trade and other receivables	15	46
Amounts due from Group companies	2,256	-
Total	2,271	46

The Directors consider that the carrying amount of trade receivables approximates to their fair value as they are short-term in nature.

9. Investments

Investments held at fair value through profit or loss

As at 31 March 2022

	Opening balance £000	Additions £000	Repayments £000	FV Movements £000	Closing balance £000
Venture Growth	309,121	134,107	(46,992)	112,001	508,237
Venture	344,674	123,405	(19,796)	214,488	662,771
Co-investment*	12,149	15,293	-	27,717	55,159
Future Fund: Breakthrough	-	25,330	-	(23)	25,307
Life Sciences Investment Programme	-	2,055	(4)	(137)	1,914
Total	665,944	300,190	(66,792)	354,046	1,253,388

9. Investments (continued)

Investments held at fair value through profit or loss (continued)

As at 31 March 2021

	Opening balance £000	Additions £000	Repayments £000	FV Movements £000	Closing balance £000
Venture Growth	167,945	64,409	(17,451)	94,218	309,121
Venture	157,124	93,714	(5,548)	99,384	344,674
Co-investment*	-	10,000	-	2,149	12,149
Total	325,069	168,123	(22,999)	195,751	665,944

*In the prior year the Co-investments were referred to as Direct Investments, however the decision has been taken to change the naming and this is reflected in the above table.

Venture Growth and Venture

Through the Venture and Venture Growth programmes, the Company invests in commercially viable venture and venture growth capital funds, including evergreen structures, to support UK companies with high growth potential to access the long-term financing they need to scale up. These investments are accounted for and measured at FVTPL under IFRS 9.

Co-investment

Through the Co-Investment programme, BPC invests in late-stage UK scale up companies. Currently it co-invests alongside BPC fund General Partners into their existing portfolio companies. This allows BPC to increase its exposure to the best portfolio companies in its best funds. These investments are accounted for and measured at FVTPL under IFRS 9.

Future Fund: Breakthrough (FF:B)

Through the Future Fund Breakthrough programme BPC directly invests alongside private sector investors in growth stage R&D intensive UK companies operating in breakthrough technology sectors. These investments are accounted for and measured at FVTPL under IFRS 9.

Life Sciences Investment Programme (LSIP)

Through the LSIP programme BPC invests in commercially viable later stage life sciences venture growth funds, to support UK companies with high growth potential to access the long-term finance they need to scale up. These investments are accounted for and measured at FVTPL under IFRS 9.

Impact of economic uncertainty and Covid-19 on Investment Valuations

As reported in the prior year, we seen further recovery in economic activity following the initial Covid impact in FY 2019-20 as reflected in the BPC's investment valuations at the reporting date.

The Company has significant investments in high-growth, early-stage technology-led businesses that were relatively resilient to the initial impact of Covid-19.

The ongoing economic uncertainty and to a lesser extent the Covid-19 pandemic has given rise to significant additional uncertainty around investment valuations. The impact on investments will vary depending on individual business models and the success of Government interventions. Valuation methodologies include market multiples, industry benchmarks and discounted cash flows, all of which are inherently more uncertain as marketplaces change and so forecasts and historical reference points become less reliable.

10. Trade and other payables

Amounts falling due within one year

	2022 £000	2021 £000
Trade payables	130	-
Accrued expenditure	1,012	760
Amounts due to Group companies	67,825	23,411
Total	68,967	24,171

Amounts falling due after more than one year

Accrued expenditure	-	37
	-	37
Total	68,967	24,208

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

11. Capital commitments

The Company had the following undrawn commitments at the balance sheet date in relation to its existing investment portfolio:

	2022 £000	2021 £000
Venture Growth	279,446	250,590
Venture	257,424	267,534
LSIP	27,625	-
Total	564,495	518,124

12. Share capital

	2022	2021
Issued and fully paid ordinary shares of £1 each:	667,522,539	462,722,540
	2022 £000	2021 £000
Brought forward	462,723	195,723
Shares issued for cash	204,800	267,000
Carried forward	667,523	462,723

The Company has one class of ordinary shares which carry no right to fixed income. During the year the company issued 204,800,000 (2021: 267,000,000) ordinary £1 shares at par value.

13. Financial Instruments

(i) Categories of financial instruments

The following table analyses the Company's financial assets and liabilities in accordance with the categories of financial instruments in IFRS 9.

At 31 March 2022

	Note	Assets held at FVTPL £000	Assets and liabilities held at amortised cost £000	Total £000
Assets				
Cash and cash equivalents	7	-	14,765	14,765
Trade and other receivables	8	-	2,271	2,271
Investments held at FVTPL	9	1,253,388	-	1,253,388
Total assets		1,253,388	17,036	1,270,424
Liabilities				
Trade and other payables	10	-	(68,967)	(68,967)
Total liabilities		-	(68,967)	(68,967)
Net assets		1,253,388	(51,931)	1,201,457

At 31 March 2021

	Note	Assets held at FVTPL £000	Assets and liabilities held at amortised cost £000	Total £000
Assets				
Cash and cash equivalents	7	-	13,369	13,369
Trade and other receivables	8	-	46	46
Investments held at FVTPL	9	665,944	-	665,944
Total assets		665,944	13,415	679,359
Liabilities				
Trade and other payables	10	-	(24,208)	(24,208)
Total liabilities		-	(24,208)	(24,208)
Net assets		665,944	(10,793)	655,151

(ii) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the year covered by these Financial statements all fair value through profit or loss financial instruments are considered Level 3 assets, except for one which is

classified as a Level 1 asset. Financial instruments classified within Level 3 have significant unobservable inputs and include investments in private funds. As observable prices are not available for these financial instruments, the Company has applied the following valuations.

For all FVTPL assets the investment valuation, a net asset valuation (NAV) which is determined on a fair value basis, is determined by investment managers on a regular basis (monthly or quarterly) with the exception of Co-investment and Future Fund: Breakthrough.

The Directors review the investment valuation reports periodically and are satisfied that they provide an appropriate measure of fair value at the reporting date.

For all FVTPL direct investments the fair value is determined using techniques consistent with the IPEV guidelines. Measuring fair value of financial instruments that are not traded in active markets requires judgement, as there will often be a range of techniques or prices that could be applied (including comparable revenue multiples, scenario analysis, discount cashflows and milestone analysis). Valuations may be based on the last financing round price where there are no significant changes in the company's prospects and the valuation remains supported by the latest results of any valuation techniques applied. The direct investment valuations are reviewed on a quarterly basis.

(iii) Financial risk management

The Company has exposure to a number of financial risks through the conduct of its operations. This note presents information about the nature and extent of risks arising from the financial instruments.

The Company has exposure to the following from its use of financial instruments:

- Credit and investment risk
- Market risk
- Liquidity risk.

Credit and investment risk

Credit and investment risk is the risk of loss to the Company from the failure of clients, customers or counterparties to fully honour their obligations to the Company, including the whole and timely payment of principal, interest, collateral and other receivables and the risk of loss due to a fall in the value of equity investments or adverse credit spread movements. Credit risk includes settlement risk, when a counterparty fails to settle their side of a transaction, and concentration risk.

Credit risk may arise in any of the Company's assets where there is the potential for default which includes any investments with a contractual repayment.

The degree to which the Company is exposed to credit risk depends on the individual characteristics of the contract counterparty and the nature of the investment. The amount of exposure, before taking into account any collateral or security, in each class of financial asset is limited to the amount invested at any given point in time. The Company is exposed to investment risk through its Venture/Venture Growth investments. This risk is mitigated by holding a portfolio that is diverse by stage, sector and vintage.

Credit risk rating and loss allowance

The Company has the following assets subject to expected credit loss impairments:

Cash and cash equivalents

The Company held cash and cash equivalents of £14.8m as at 31 March 2022 (2021: £13.4m). The cash and cash equivalents are held with the Government Banking Service.

The Company considers that cash and cash equivalents have a low credit risk based on the external credit ratings of the holding parties. As such, an expected credit loss has not been recognised in the accounts.

Trade and other receivables

Impairment on trade and other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. An expected credit loss has not been recognised in the accounts as it would be immaterial.

Market risk

Market risk is the risk of direct or indirect losses that arise from fluctuations in the values of, or income from, assets or in movements in interest or exchange rates or credit spreads. The Company recognises market risk arising from an inability to exit an investment within the intended timeframe.

Currency risk

The Company primarily invests in its functional currency, pounds sterling. There are some investments in funds which have a Europe-wide investment mandate, and are denominated in euros. A condition of investment in these funds is that they invest into the UK at a fund level a larger amount than our financial investment. Approximately 34% of the Company's portfolio is in non-pounds sterling denominated investments. The currency impact included in the overall FVTPL investments fair value movement for the year ended 31 March 2022 was £8.6m. There is currently no policy to hedge this currency risk.

Liquidity risk

Liquidity risk is the risk that an entity does not have sufficient financial resources in the short term to meet its obligations as they fall due, or its strategy is constrained by inadequate or inappropriate funding sources.

Liquidity risk is not deemed significant to the Company as it is part of the British Business Bank plc Group which is 100% Government-funded, with all programmes pre-approved and committed to, and it does not have a leveraged balance sheet.

14. Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Company. Such interests include debt and equity investments and investment management agreements.

14. Structured entities (continued)

The nature and extent of the Company's interest in structured entities and its maximum exposure are summarised below:

Interest in Limited Partnerships

	2022 £000	2021 £000
Assets at fair value through profit or loss	1,253,388	665,944
Total	1,253,388	665,944

15. Related party transactions

The Secretary of State for the Department for Business Energy and Industrial Strategy (BEIS) is the ultimate controlling party and sole shareholder of British Business Bank plc, which owns BBB Patient Capital Holdings Ltd, which is the Company's parent company. Nuclear Liabilities Fund Limited (NLF) is a related party by virtue of being controlled by the Company's parent company's ultimate controlling party. All entities under the BEIS group are considered to be related parties. The Company entered into transactions with BEIS, NLF and the following British Business Bank plc Group companies in the year:

	2022 £000	2021 £000
Income		
Management fee		
NLF	1,491	1,430
Total	1,491	1,430
Expenditure		
British Business Bank plc	11,400	9,420
British Business Financial Services Limited	953	1,189
Total	12,353	10,609

Amounts outstanding at year-end

As at the balance sheet date, the Company had balances outstanding with the following Group companies:

	2022 £000	2021 £000
Receivables		
British Business Bank plc	2,256	31
Total	2,256	31
Payables		
British Business Bank plc	4,676	1,315
BBB Patient Capital Holdings Limited	63,000	22,000
British Business Financial Services Limited	149	96
Total	67,825	23,411

The Company is acting as agent for the NLF portion of investments and the above management charge reflects their charge for the year.

During the year, the Company received working capital loans from its parent company, which totalled £245.8m (2021: £157m) and made repayments of £204.8m (2021: £267m) via share issue, leaving a balance of £63m (2021: £22m) owing to its parent company. This loan is expected to be repaid within one year by issuing shares to the parent company.



16. Events after the reporting date

As at the date of this Annual Report and Accounts there have been no post reporting date events that require disclosure.

17. Controlling party

The Company's parent is BBB Patient Capital Holdings Limited, which in turn is a wholly owned subsidiary of the British Business Bank plc. In the opinion of the Directors, the Company's controlling party is the British Business Bank plc's shareholder, the Secretary of State for BEIS. The consolidated Financial statements of BEIS are available from the Government departments' website at [GOV.UK](https://www.gov.uk). Copies of the Group consolidated Financial statements of the British Business Bank plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

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