



Small Business  
Commissioner

# The Annual Report of the Office of the Small Business Commissioner

For the Year ended 31 March 2024





# **The Annual Report of the Office of the Small Business Commissioner**

For the year ended 31 March 2024

Presented to Parliament pursuant to Section 9(3) of the Enterprise  
Act 2016

Ordered by the House of Commons to be printed on 12th June 2025

HC 726

## Office of the Small Business Commissioner

The Small Business Commissioner (SBC) is an independent public body set up by Government under the Enterprise Act 2016 to tackle overdue payment and unfavourable payment practices in the private sector. The Office of the SBC (OSBC) covers the whole of the UK - England, Wales, Scotland, and Northern Ireland.



### © Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-Government-licence/version/3](https://nationalarchives.gov.uk/doc/open-Government-licence/version/3).

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/official-documents](https://www.gov.uk/official-documents)

Any enquiries regarding this publication should be sent to us at [enquiries@smallbusinesscommissioner.gov.uk](mailto:enquiries@smallbusinesscommissioner.gov.uk)

### Legal disclaimer

Whereas every effort has been made to ensure that the information in this document is accurate, the Office of the Small Business Commissioner does not accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

### Published by

Office of the Small Business Commissioner

E03208411

ISBN978-1-5286-5197-4

06/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office









# Contents

## Performance Report

Overview	8
About the Office of the Small Business Commissioner (OSBC)	8
Our Year in Numbers	10
Statement from the Commissioner	12
Vision, Mission, and Values	14
Strategic Ambition and Objectives	16
Delivery Plan	17
Performance Overview	18
Risk Management	24
Performance on Other Measures	28

---

## Accountability Report

Overview	32
Corporate Governance Report	33
The Commissioner's Advisory Board External Members	34
The Accounting Officer's Report	35
Statement of Accounting Officer's Responsibilities	36
Governance Statement	38
The Office of the Small Business Commissioner Advisory Board	40
OSBC Audit and Risk Assurance Committee	43
Remuneration & Staff Report	48

---

## Financial Statements

Independent Auditor's Report of the Comptroller and Auditor General to the Houses of Parliament	62
Financial Statements for the year ended 31 March 2024	68
Notes To the Accounts	72

---

## Glossary and Appendices

Appendix A: SBC Engagements 1 April 2023 – 31 March 2024	86
--	----

# Performance Report

This report provides an overview of the performance of **The Office of the Small Business Commissioner (OSBC)** for the fiscal year 2023-24. It highlights key achievements, financial performance, and strategic initiatives undertaken during the year, highlighting OSBC's resilience and commitment to supporting small businesses, aligned to our vision, mission, values and strategic objectives.

## About the Office of the Small Business Commissioner (OSBC)

The Office of the Small Business Commissioner (OSBC) is an independent public body set up by Government under the Enterprise Act 2016 to tackle overdue payment and unfavourable payment practices in the private sector.

The OSBC covers the whole of the UK, England, Wales, Scotland, and Northern Ireland, and was established to challenge an overdue payment culture that exists between businesses in the UK resulting in:

- A third of payments to small businesses being overdue,
- The average value of each overdue payment is £6,142,
- 20% of small businesses have run into cash flow problems due to overdue payments.

**The OSBC covers the whole of the UK, England, Wales, Scotland, and Northern Ireland**

As an Arm's Length Body (ALB), classified as a Non-Departmental Public Body, the OSBC is accountable to the Secretary of State for Business through its sponsorship team at the Department for Business and Trade (DBT).

The OSBC works closely with its DBT sponsorship team, various partnership teams within DBT and with the Minister for Small Business, to provide intelligence about issues affecting the small business sector, including the impact of Government policy and legislation.

On 7th February 2023, the prime minister announced a major machinery of Government change which redistributed the activities of several existing Government departments and created three new departments including the Department for Business and Trade (DBT). The OSBC was transferred to DBT following this machinery of Government change and transition.





## Our Year in Numbers

### OSBC Enquiries Between 1st April 2023 – March 2024



**618**

enquiries dealt with in total.

**461**

signposted to additional support services.

**157**

enquiries resolved at initial contact.

### OSBC Complaints Between 1st April 2023 – March 2024



**22**

complaints received in total.

**11**

complaints upheld following investigation.

**01**

complaint resolved on first contact.

**10**

complaints investigated and signposted to additional support services.

**21**



The average duration for complaint investigation during this period was 21 days.

**94%**

of complaints were resolved within OSBC's Service Level Agreement (SLA) of resolution within 40 working days.



**£390,900**

As a result of our direct intervention, **£390,900** was paid to small businesses between 1st April 2023 – 31st March 2024.

OSBC Communications Between 1st April 2023 – March 2024



89%

of visitors to our website were new during the reporting period.

11%

of visitors to our website were returning.

The top three website page views during this period were:

- Calculate interest on an unpaid invoice with **106,050** page views,
- Legal action you can take with **36,505** page views,
- Current Signatories with **22,160** page views.



We had **4,285** subscribers to our newsletter, which is a 2.6% decrease compared to the previous year. This was primarily due to bounce back emails being received, resulting in removals from the PPC subscribers listing.

- **307,104** visited our website during 2023-24
- **300,349** visited in 2022-23
- **208,199** visited in 2021-22.



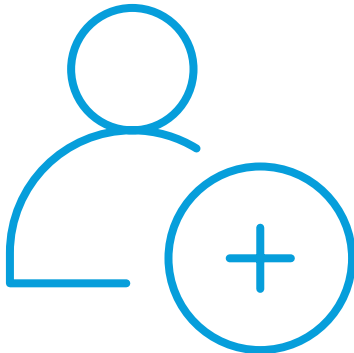
OSBC Prompt Payment Code Between 1st April 2023 – March 2024

4,853  
4,287

PPC Signatories increased from 4,287 in 2022-23 to **4,853**.

556

This is an increase of **556** signatories, **13%**, during the reporting period 2023-24.



# Statement from the Commissioner

Liz Barclay

**Confidence.** That is a key measure for small business owners. As I reflect on this reporting period there is a degree of confidence returning to the sector. That confidence will help us increase productivity and see the growth the new Government wants.

Various surveys and indices published over the past year have shown that while it is not exactly hitting record highs, confidence has stabilised. The ICAEW's Confidence Monitor for Q1 of 2024 (Institute of Chartered Accountants England and Wales) shows small businesses are confident about business for the next 12 months.

We have been through a few turgid years of political instability, with soaring inflation and interest rates pushing up the cost of doing business, and skills and labour shortages reducing capacity and capability to rebuild and regenerate. Yet micro and small businesses in the UK have believed in their ability to flex, pivot, and hold on. Now we need to build the confidence to thrive.

At the point of writing my report last year confidence was waning, as inflation and interest rates remained stubbornly high. We were also hearing of bigger firms increasingly looking to safeguard their own financial position by offering suppliers extended payment terms. My ambition was to gain better insight into the root causes of poor payment practices including long contractual payment terms and the percentage of invoices paid after the agreed or expected due date.

At the OSBC we believe that at the heart of increasing productivity and encouraging growth lies better payment practices. Micro and small business owners who do not have certainty about when they will get paid, are forced to waste time that could be used more productively, in chasing up missing payments. That leaves them in fear of damaging their working relationships with their bigger customers and of the possibility of losing future work opportunities. Fear of not getting paid and of losing customers leads to sleepless night with all the attendant mental health and relationship problems that can bring, which in turn reduces productivity.

There is also a lack of willingness, capacity or confidence to invest when you are not being paid on time or fairly. It is not just the small supplier whose business suffers from underinvestment but the bigger customer. A better supplier, who has invested in up-to-date equipment and processes, is innovative and upskills or recruits better people, delivers a better product or service so everyone wins. Without that the supply chain is less sustainable and resilient. 5.5 million micro and small businesses operated in the UK in 2023. They accounted for 13 million jobs, which is almost half of private sector employment. They are responsible for a third of all business turnover at £1.6 trillion. Those jobs and that turnover means they are crucial to the economy, wider society, and local communities. They are also vital when it comes to working out how to resolve the productivity and growth challenges we face.



We owe it to those 5.5 million business owners to find out the reasons for poor payment behaviour so we can understand what the solutions might be. While I cannot claim to have found definitive answers to those questions yet, I am pleased to say that there will be more research coming from the Department for Business and Trade and the OSBC in the next 12 months.

Our vision is an environment where overdue payments to small businesses are rare, it is usual practice for suppliers to be paid within 30 days or less from receipt of their invoice and extended contractual payment terms and unfair payment practices are no longer acceptable. If we can deliver that vision, we will play a huge part in increasing the confidence of the UK's micro and small business sector and lead the economy to the growth and productivity we all aspire to.

This time last year we were looking forward to the outcome of a Statutory Review of our effectiveness. Alongside that the Government's wider 'Payments and Cashflow Review' which was published in November 2023 revealed just how complex the UK's business to business payments systems can be. The various reviews gave all stakeholders the opportunity to comment on how we can improve payment practices. The recommendations of the reviews, including revising and improving the Prompt Payment Code (PPC), are in the process of being delivered. Some will require legislation which takes time.

We have been recruiting some brilliant new people to the OSBC team to help with achieving our vision and delivering the review recommendations. At the same time, we have, sadly, lost some valuable people who have moved on to the next stages of their career.

In the meantime, technology is developing by the day and that is helping businesses big and small improve engagement and payment times. Bigger firms are increasingly using e-invoicing and onboarding their suppliers. AI driven tools will have a significant role to play.

When confidence is low smaller businesses are reluctant to engage and invest for fear of making wrong choices. With confidence growing or at least stabilising smaller firms will be keener to embrace newer tech and to find out how it can benefit them and their customers. One essential way of funding that confidence and to increase productivity and growth is to make sure suppliers get paid quicker. #EveryoneBenefits.



A handwritten signature in black ink, appearing to read 'Liz Barclay'.

**Liz Barclay**

Accounting Officer Small  
Business Commissioner

Date: 02/06/2025

# Vision, Mission, and Values

## The OSBC Vision

An environment where overdue payments to small businesses are rare, it is usual practice for suppliers to be paid within 30 days or less and extended contractual payment terms and unfair practices are no longer acceptable.

## The OSBC Mission

To support small businesses to get paid quickly and on time, to influence larger businesses to reduce payment times to suppliers and work with all businesses to improve the culture of payment practices across the UK.

## The OSBC Values

The OSBC is a **collaborative, honest, supportive, and expert** organisation and these values run through everything we do.



### Collaborative

We seek to develop positive partnerships with organisations across Government, the private and third sectors and to build strong working relationships with, and between, small and large businesses.



### Supportive

We provide a supportive environment for our people to flourish, support small businesses to navigate payment issues and larger businesses to adopt fairer payment practices.



### Honest

We are straight with businesses and stakeholders and our activity is evidence led. We are open about how we operate and what our impact is.



### Expert

We are professional and have the knowledge and skills to support small businesses, drive the policy agenda and change culture.



# Strategic Ambition and Objectives

To deliver on its vision, the **Office of the Small Business Commissioner (OSBC)** has four strategic objectives that underpin its work and drive the outcomes it is looking to achieve.

These objectives are evidence based and designed to address the key drivers of overdue payment, long contractual payment times and unfair payment practices. These objectives include:

## **Improving large business understanding and approach to payments**

- Improving large business understanding of the impact of withholding payments from smaller businesses and promoting good practice
- Reducing the number of larger businesses using supplier payments to create leverage or financial gain
- Creating a culture in which payment practices are routinely cited in annual reports and included as part of ESG measures as standard practice
- Securing commitments from larger businesses to improve payment systems and use mediation to settle disputes
- Ensuring larger businesses meet their legal and voluntary obligations and improve compliance and enforcement regimes
- Establishing sector led activity to promote fair payment practices and supporting co-ordinated action to address sectoral issues.

## **Improving small business capability**

- Improving small business understanding of contracting, their legal rights and where to get contract advice
- Giving small businesses the confidence to negotiate fairer payment terms and challenge overdue payments and unfair payment practices
- Supporting small businesses to understand their legal options and associated costs and increasing the use of mediation.

## **Raising awareness and access to support**

- Ensuring that a range of support is available and accessible, not resource intensive and provides value for money
- Ensuring more small businesses are aware of the available support and tackling barriers to uptake
- Enhancing the work of the OSBC by working in partnership and ensuring the support landscape is joined up and effective.

## **Increasing digital adoption**

- Raising awareness of the benefits of digital adoption to address overdue payments and providing advice and support on adoption
- Working with Government and providers to address issues around interoperability between platforms
- Working with providers to address concerns around the cost of implementation and resource to adopt technology.



# Delivery Plan

To achieve these objectives and outcomes, the OSBC's delivery plan will consist of **5 key pillars**:

## 1.

### **Raise awareness of poor payment practices and the action to change it**

- Run campaigns and undertake communications activity across all platforms
- Maintain a web and social media presence with relevant, impactful content
- Support Minsters and stakeholders with activity on payment practices.

## 3.

### **Provide support and guidance to small businesses**

- Maintain a complaints service and provide support with dispute resolution
- Provide information and signpost to relevant support
- Develop tools and guidance to support small businesses with payments.

## 2.

### **Engage stakeholders to influence them to raise standards**

- Undertake an ongoing engagement programme across relevant stakeholders
- Maintain our role as an expert and thought leader on payment practices
- Relaunch a payment code and work with applicants to improve standards.

## 4.

### **Be well run, efficient and transparent**

- Have a robust approach to financial controls and risk management, undertake an annual audit and publish an Annual Report and Accounts
- Have strong governance processes and be managed effectively
- Have a strong, delivery focused team with the skills and resources to deliver.

## 5.

### **Be evidence led and impact focused**

- Establish a compelling and comprehensive evidence base to underpin activity
- Undertake research and gather evidence from a wide range of sources
- Evaluate and assess the impact of our activities.

# Performance Overview

The Office of the Small Business Commissioner (OSBC) has demonstrated a strong commitment to supporting small businesses, particularly in relation to overdue payment disputes, throughout 2023-24 in an ever-changing economic landscape. Increased energy costs, supply chain disruptions, and rising inflation continued to challenge small businesses across various sectors.

The Small Business Commissioner (SBC) continued to support small businesses throughout this period and actively collaborated and engaged with key organisations, and national stakeholders representing small business interests in numerous events across the UK, including Scotland, Northern Ireland, and Wales to drive OSBC's commitment and message that "payment matters."

## Communications Team Performance

The OSBC's communications team prioritised increasing the visibility of its services through its communication channels, website, newsletters, blogs, and social media posts. The team focused on analysing OSBC's digital presence by monitoring user engagement rates across all channels to support the development of communications and key messages, tailored to support small business needs and challenges.

### Communications Team Performance Data

Metric	Target / Volumes	FY2023-24	FY2022-23
Referrals to OSBC website from social media channels	20% Increase from existing 2021-22 baseline	2,420 40.7% increase	1,720
Total website users	20,000 extra users from 2021 baseline	307,104 2.3% increase	300,349
New website users	10% annual increase	247,534 15.1% increase	215,031
Returning website users	To sustain 4% per quarter	10.6%	4.8%

Newsletter open rate (OR) and click through rate (CTR)	30% OR & 20% CTR from 2021/22 baseline		OR - 44% CTR - 17%
Newsletter subscribers	To increase the number of subscribers to the newsletter by at least 50% from original baseline		4,400
Social Media Engagement rates:	1.8% Total engagement from 2021-22 baseline	X (formerly Twitter) – 6.4% average engagement rate	Twitter – 5% average engagement rate
<ul style="list-style-type: none"> <li>• Twitter</li> <li>• LinkedIn</li> </ul>	To consistently average 1.5% - 2% engagement across social media channels	LinkedIn – 7.7% average engagement rate	LinkedIn – 5.8% average engagement rate
<p>*Note – figures are from Nov 12, 2023, to Apr 5, 2024. Social media data cannot go back more than a year.</p>			

## Casework Team Performance

The OSBC casework team plays a vital role in managing all enquiries, complaints, and contacts. The team collaborate closely with the OSBC Communications team to consistently update and enhance the content on our website to transform it into a valuable resource for individuals seeking pertinent information.

## Handling Enquiries

Every enquiry received by the OSBC casework team undergoes a comprehensive investigation, with the time invested varying from a few minutes to up to 2 hours for an initial review depending on the complexity and information received. While some enquiries may evolve into complaints within our jurisdiction and remit, others may lead to referral to more appropriate alternative resolution services. OSBC aims to empower individuals to independently resolve their issues, acknowledging the reluctance of small businesses to resort to legal action.

### Definition of a Complaint

An overdue invoice is classified as a complaint only if a genuine dispute exists, and our statutory remit allows us to address it. Complaints must originate from a small business (with fewer than 50 employees) in relation to a larger firm (with 50 or more employees). Complaints involving two small businesses or those related to construction are beyond our statutory remit therefore they are reclassified and are handled as enquiries.

### Enquiries and Signposting

OSBC receives many enquiries on an annual basis such as employment complaints, energy service queries and domestic construction enquiries. OSBC is supported by its statutory obligations and its ability to provide suitable interventions. For enquiries that fall outside of the OSBC remit, enquiries are assessed and signposted to appropriate services that meet the specific needs of the enquirer. OSBC understands the importance of connecting individuals with organisations equipped to offer specialised assistance.

### Other Work by the Casework Team

OSBC's engagement efforts extend beyond handling complaints and enquiries. We handle requests from other government departments, Growth Hubs, LEPS, and public partnerships. All our work supports our vision, values, and objectives of supporting small businesses.

Throughout 2023-24, OSBC received 618 enquiries from small businesses, seeking assistance with payment disputes, unpaid or overdue invoices and contractual payment terms. This is a 59% increase from 387 the previous year and supports the trend that businesses seek information from us, with a preference for self-help over third-party intervention.

Each enquiry received, represents a small business and an individual contributing to the UK economy and growth, therefore the OSBC casework team invests time to assess and support their enquiries through to decision, identifying those upon which the OSBC can act. Of the total 618 enquiries received, 461 needed assistance from other support networks to which OSBC signposted.

Throughout 2023-24, OSBC received and investigated 22 complaints. Of these 11 were dealt with by the OSBC's statutory dispute resolution process, 10 were signposted to other support services, and 1 was resolved on first contact.

During this period, the average duration for complaint investigations was 21 days. Out of the complaints formally investigated 94% were resolved within OSBC's Service Level Agreement (SLA), within 40 days of receipt.

As a result of our direct intervention, £390,900.12 was paid to small businesses during 2023-24. Our direct involvement and support helped small businesses recover outstanding payments, which crucially helped them tackle cash flow challenges, enabling them to meet financial obligations. In addition, the SBC held discussions throughout the year, illustrating the impact of overdue payments on small businesses, emphasising how not being paid by a due date can cause or worsen cash flow problems, increase administrative costs, strain customer relationships, and limit investment, productivity, and growth potential.



Many cases contacting our service fall outside our dispute resolution process because suppliers have agreed to accept contractual payment terms offered by their customers. In many cases these exceed 60/90/120 days. This restricts OSBC's ability to offer direct intervention. Despite these restrictions, OSBC remains dedicated to assisting these small businesses where possible.

During this reporting period, we have seen further small businesses in the retail, construction, travel, and hospitality sectors, face significant cash flow challenges. Many business owners are reluctant to complain formally about overdue invoices or to allow third party intervention in disputes, to avoid damaging relationships with customers. Consequently, this limits the amount of practical help we are often able to offer.

### Casework Team Performance Data

Metric	Target / Volumes	FY2023-24	FY2022-23
Casework enquiries referred to OSBC.	Reporting on enquiries received by the OSBC casework team.	618 59% increase	387
Formal complaints identified through OSBC casework activity.	Reporting on all complaints responded to within 40 working days.	22 22% increase	18
Total monies recovered during the reporting period.	Reporting on monies recovered due to OSBC casework intervention.	£390,900 38% increase	£283,458

## Performance Report

Metric	Target / Volumes	FY2023-24	FY2022-23
Top 5 disclosed sectors for OSBC enquiries.	Reporting on the top 5 annual sectors for OSBC enquiry engagements.	1. Retail 2. Business Services 3. Construction 4. Healthcare 5. Consultancy	1. Business Services 2. Retail 3. Healthcare 4. Construction 5. Hospitality
Top 3 disclosed geographical locations for OSBC enquiries.	Reporting on the top 3 geographical locations for OSBC enquiry engagements.	1. London 2. Surrey 3. Berkshire	1. West Yorkshire 2. West Sussex 3. Surrey  Complainants are not required to disclose their geographic area and locations.  73% of all enquiries during this period are unknown. Where possible we have captured this information.

### The Prompt Payment Code (PPC)

OSBC's voluntary initiative, the Prompt Payment Code (PPC), saw an increase in enquiries and visibility during this reporting period. Signatories increased from 4,287 in the 2022-23 fiscal year to 4,853 at the end of this reporting period. This is an increase of 13%, rising by 556 signatories during 2023-24.

Looking ahead, the OSBC will look to replace the Prompt Payment Code (by the Fair Payment Code (FPC) during the 2024-25 fiscal year.

### Prompt Payment Code Performance Data

Metric	Target / Volumes	FY2023-24	FY2022-23
Voluntary PPC signatories	Reporting on voluntary signatories to the Prompt Payment Code.	4,853 13% increase	4,287

## Financial Objectives

The OSBC is a Grant-in-Aid funded body. We spend responsibly within budget and ensure value for money in line with Managing Public Money and other HM Treasury guidance. Our processes are subject to regular review, with suggestions for improvements being considered and approved by the whole OSBC team.

Our financial controls are delivered through our shared services provider, UKSBS, and through our sponsor department, DBT.

## Financial Summary

In 2023-24 the OSBC received from BEIS/ DBT Grant-in-Aid funding of £684,685 (2022-23: £840,608).

The OSBC incurred net expenditure costs of £750,041 in the year to 31 March 2024.

1.7 per cent of our spending has been invested in communications and marketing. Previously 2022-23 was 1.2 per cent.

The remaining portion of the spend was assigned to staffing, computer software systems to deliver our key statutory aim of managing complaints, enquiries, and dispute resolution work on behalf of small businesses that represents 95% of the overall budget allocated.

## Value For Money

OSBC strives to provide value for our customers, users, and stakeholders.

To achieve this, we focus on managing our resources effectively against three key factors: cost, efficiency, and effectiveness.

During 2023-24, we focused on finding the most economical inputs possible, without sacrificing the quality of our interventions. To that end we reviewed our financial reporting systems and controls, developed our procurement processes, and evaluated our suppliers to ensure that we were achieving the best value for money possible.

## Working With DBT

The OSBC is accountable to the Secretary of State for Business through our Sponsorship team at DBT. The OSBC works with the DBT sponsorship, finance, and payments teams to share feedback and insight regularly, about key themes and trends. OSBC also shares insight reports about the volume and type of complaints and qualitative and quantitative information through regular and ad hoc meetings at all levels to support our strategic ambitions and objectives.

# Risk Management

OSBC has a responsibility to identify, document and minimise risks associated with the organisation's operations and management. OSBC's senior management team (SMT) meets regularly to monitor all risks, which are reported to the DBT sponsorship team.

OSBC has developed a Risk Assurance Register, used to track, visualise, and prioritise risks across the organisation and includes a risk assessment matrix that shows the likelihood and impact of those risks. The matrix is divided into quadrants, focussing on risks, impacts and likelihood, which can have a significant impact on the organisation's ability to achieve its strategic objectives.



## Strategic Risks

Risks which could impact the OSBC and force a fundamental change to the current strategy of the organisation. Risks that require management and co-ordination by OSBC, utilising ARAC support.

### Our risk landscape

#### Current Risks

Risks we are currently managing that could hinder us achieving our strategic objectives.

#### Emerging Risks

Risks with a future impact from external or internal opportunities or threats. These can be slow moving or have a rapid velocity.

### What we assess

#### Risk ownership:

each risk has a named owner. We assess likelihood and Impact and attach weight to the effectiveness of our management controls.

**Risk appetite:** risk assessed against our level of appetite and required response

**Actions:** future actions to further reduce our risk exposure

### Our key risk categories

We assess our risks against seven key impact categories:

- Raising awareness
- Delivery
- People
- Prompt Payment Code
- Value for Money
- Statutory review





## OSBC Risk Register

We currently identify and document risks, threats and opportunities using a strategic risk register. OSBC assessing the likelihood and impact of these risks on the organisation.

### Risk Register

**Key:** ● Low Risk ● Medium Risk ● High Risk

Risk	Risk Status
 <p><b>Awareness:</b> A lack of awareness of the support the OSBC offers to firms in dispute over payments and of the information available to firms around fair payment practices leads to increasingly poor payment outcomes for small businesses and damages the reputation of the OSBC.</p>	●
 <p><b>Delivery:</b> Complaint volumes remain low but the number of enquires has increased at a period where OSBC resources, although improved, are still under pressure. Staff numbers are below operational needs with several vacancies currently unfilled and further turnover expected in 2024.</p>	●
 <p><b>People:</b> The OSBC is a small team with specific skills for a variety of tasks involved in business management, comms, and casework. The overall size of the team limits its ability to adapt to surges in complaints/enquiries and/or to engage in wide ranging engagement activity with small businesses without specific support from DBT.</p>	●
 <p><b>Governance and Administration:</b> The OSBC framework document was revised in 2021 and agreed between DB&amp;T (formerly BEIS) Sponsorship Team and the OSBC, including the framework to support the work of the SBC. This document needs a further refresh in the light of the outcome of the statutory review.</p>	●
 <p><b>Prompt Payment Code Availability:</b> A signatory becomes insolvent/unviable, and suppliers have not been paid within 30 days, yet no steps have been taken by the OSBC team to remove the signatory firm from the Code.</p>	●

Risk	Risk Status
 <p><b>Prompt Payment Code Review:</b> Some small firms feel that far from operating in the interests of the small business sector, the OSBC is administering the Code in favour of signatories by failing to remove poor paying signatories. The OSBC wishes to grow the number of signatories to the Code but there may be a perception that it is currently not managing Code compliance robustly enough to achieve that.</p>	
 <p><b>Value of Money:</b> The predicted level of contact with, and complaints to, OSBC has been far lower than anticipated by the initial Government impact assessment. There is an ongoing risk that the OSBC is therefore perceived in some quarters as delivering poor VFM.</p>	
 <p><b>Impact of the Statutory Review of OSBC:</b> Between 15th February 2023 and 28th April 2023, the Government invited views and evidence to inform the Statutory Review of the Small Business Commissioner, looking in particular its effectiveness in improving payment practices in commercial transactions.  The Review considered the impact of the Commissioner's office on awareness of the importance of fair payment practices on business and the economy, and on the payment culture in the UK. This supported a wider review of Payments and Cashflow and the efficacy of tools available to Government for improving payment practices.</p>	

# Performance on Other Measures

The OSBC fulfils its role as a Public Sector Information Holder through adherence to the Data Protection and Freedom of Information Acts. OSBC's data policies are compliant with the General Data Protection Regulations (GDPR) which came into force on 25 May 2018.

The OSBC mandates annual learning for its team members and strengthens it by promoting good practice in the areas of email/document security, password protection and the use of cloud collaboration tools. All team members are aware of the General Data Protection Regulation (GDPR) and undergo training on an annual basis. Any security breaches and near-misses are reported to the OSBC's Business Manager and Head of Operations with individual breaches considered and escalated as appropriate depending on their seriousness and impact.

During this reporting period the OSBC had no data handling breaches or near-misses resulting in a notification to the Information Commissioner's Office (ICO).

## Open & Full Information

The Freedom of Information Act 2000 gives any individual or organisation the right to request information from public sector organisations. This right of access

applies to recorded information held by public authorities. Any person making a written request for information must be told whether the OSBC holds that information and, if so, supplied with it. This right is limited only by the procedural conditions and exemptions as set out in legislation. During this reporting period, OSBC has responded to 9 FOI requests.

## Modern Slavery

Through robust policies and procedures, we continue to take steps to ensure that neither slavery nor human trafficking (together, referred to as 'modern slavery') occurs in our organisation or supply chains. As an equal opportunity employer, we are committed to creating and ensuring a non-discriminatory and respectful working environment for our people.

OSBC's recruitment and people management processes are designed to ensure that all prospective employees are legally entitled to work in the UK and to safeguard employees from any abuse or coercion once in our employment. Our statement is published on our website: [www.smallbusinessCommissioner.gov.uk/modern-slavery-and-human-trafficking-statement-april-2018-march-2019](http://www.smallbusinessCommissioner.gov.uk/modern-slavery-and-human-trafficking-statement-april-2018-march-2019).



## Learning & Development During 2023-24

OSBC has used monthly development and quarterly performance discussions to emphasise the importance of personal development and learning. These developmental conversations empower our people to take ownership of their own learning and development and outline how individuals contribute to the organisation.

OSBC uses face-to-face and online digital platforms to support learning and development ambitions alongside resources such as the Civil Service-Learning platform.

## Sustainability

The OSBC has received a formal exemption from reporting sustainability data under the Greening Government Commitments. At the end of this reporting period, we employed 7 staff and occupied office floor space less than 132m in a government building contractually managed by the Government Property Agency (GPA).

At present, the GPA tracks core metrics on behalf of the whole building covering the consumption of electricity, water, and waste, which fall within scope of its Annual Sustainability Report (ASR).

The OSBC manages its procurement, travel, and IT services through the Department and Business and Trade (DBT) and does not manage the impact. We have therefore not included coverage of the full suite of metrics relating to sustainability in our annual report.

## Anti-Corruption & Anti-Bribery Matters

All OSBC employees completed counter fraud, bribery, and corruption training through the Civil Service-Learning platform during this reporting period. This course is refreshed annually. Additionally, OSBC made a commitment to update its Counter Fraud Strategy in 2023, ensuring its practices were aligned with wider departmental guidelines.

## Health & Wellbeing

The OSBC works closely with its DBT sponsorship team to ensure that there is a comprehensive health and wellbeing offer that provides OSBC employees relevant and appropriate support for their needs. The health and wellbeing offer is delivered at individual and team levels, through understanding longer-term health and wellbeing trends and addressing the most prevalent and/or impactful issues.

Support for employees includes access to mental health first aiders, an employee assistance programme, tailored webinars, and online resources on an A-Z range of wellbeing topics. Line managers are encouraged to develop confidence in supporting employee wellbeing through workshops and online training resources including stress risk assessments, conversation starters and mental health action plans.

### Flexible & Hybrid Working

The OSBC values and supports hybrid and flexible working for its employees giving a choice about how to split working time between the workplace and home. These working arrangements can be adapted individually through one-to-one discussions with line managers to reflect personal circumstances and commitments while continuing to support the needs of the business.

This OSBC commitment aligns to the Department and Business and Trade (DBT) policy with an overall presence of 40- 60% of their working hours in the office.

### Sickness Absence

The average number of working days lost to sickness in the OSBC was 5 days, up to the 31 March 2024.

### Health & Safety

The OSBC remains committed to providing a positive safety culture through the provision of working environments and activities that are safe for employees, visitors and those directly affected by departmental business activities. During 2023-24 OSBC ensured:

- Mandatory and practical health and safety training was completed by its employees
- Relevant TAG-EVAC and refresher training was completed to ensure suitable evacuation procedures were in place at 23 Stephenson Street in the event of an emergency

- Engagement continued with the Government Property Agency (GPA) throughout the reporting period, ensuring health and safety awareness across the organisation remained up to date.

No accidents or near-misses were reported during 2023-24.

### Diversity Equality and Inclusion

The OSBC continues to incorporate diversity and inclusion at the heart of its core values, progressing and developing by considering different views, opinions, and experiences. This approach is also vitally important when reviewing contractual terms and overdue payment disputes from small businesses.

Quarterly insight reports are used by OSBC to gather data from a variety of small businesses from different sectors ensuring that OSBC acts on evidence from small business complainants indicating direct or indirect discrimination connected to payment disputes.

The OSBC ensures its services and employment opportunities are fair and accessible to all and the quarterly insight reporting is used to support our obligation to keep improving our performance under the Equality Act 2010 and the Public Sector Equality Duty contained within that legislation.



**Liz Barclay**

Accounting Officer Small Business  
Commissioner

Date: 02/06/2025





# Accountability Report

## Overview

The **OSBC's** Accountability Report sets out how the department meets the key accountability requirements to Parliament.

It is broken down into 3 areas:

1.

This Corporate Governance Report discloses information about members of the OSBC Advisory Board, the Statement of Accounting Officer's Responsibilities, and the Governance Statement, which explains OSBC's governance structures, risk management processes and internal governance controls.

---

2.

The Remuneration and Staff Report providing information on staff numbers and costs, and the remuneration of members of the OSBC Advisory Board.

---

3.

The Parliamentary Accountability and Audit Report that presents the department's expenditure against the budgets set by Parliament and the audit opinion on the financial statements prepared by the National Audit Office (NAO).



# Corporate Governance Report

## Accountability Statement

The Office of the Small Business Commissioner (OSBC) launched its services on 20 December 2017, covering the whole of the UK (England, Scotland, Wales, and Northern Ireland). Established under the provisions of the Enterprise Act 2016, the OSBC plays a key role in supporting small businesses to resolve their payment disputes with larger businesses, providing information and support, and helping to bring about culture change in private sector payment practices.

Created in legislation as a corporation sole, the Small Business Commissioner is classified as a Non-Departmental Public Body (NDPB), and the Office of the SBC is operationally independent of Government and a partner organisation of the Department for Business and Trade (DBT).

The Secretary of State (SoS) for DBT is responsible for the overall policy framework within which the OSBC operates and has statutory powers in relation to the OSBC. The Secretary of State is responsible to Parliament for the OSBC and will account for its business in Parliament.

The OSBC Framework Agreement was drawn up in 2018 by the former Department for Business, Energy, and Industrial Strategy, now DBT, collaboratively with the OSBC. This document formally sets out the broad framework within which the OSBC operates and the role and responsibilities of the organisation. The document is available to members of the public on the OSBC page, published on [gov.uk](https://www.gov.uk).

The 2018 Framework Agreement document was revised in October 2021 and signed off by BEIS (now DBT) and the OSBC in spring of 2022.

During the period of this annual report, a Statutory Review of the OSBC was being conducted which, until concluded and implemented, created an interim situation whereby two of the three existing external members of the OSBC Board had reached the end of their term of office and new governance structures had yet to be agreed. I stood in as interim Chair of the Audit, Risk and Assurance Committee. This ensured existing effective governance, risk management systems and control processes enabling the OSBC, under Liz Barclay's leadership as Commissioner, to continue providing invaluable support to small businesses on overdue payment while championing the importance of prompt payment, for a thriving economy, with Government and across the business community.

I look forward to 2024 bringing a refreshed OSBC Framework Agreement and the Audit, Risk and Assurance Committee (ARAC) implementing governance arrangements appropriate to this new policy focus.



**Yvonne Gale**

External Board Member

Date: 02/06/2025

# The Commissioner's Advisory Board External Members



## **Dr Yvonne Gale**

Chair OSBC Advisory Board

Dr Yvonne Gale was appointed CEO business finance specialists NEL Fund Managers.

She has been a director for several small businesses focusing on strategy, delivery, and resourcing. She has other Board appointments including Chair of Shared Interest Society, an ethical finance provider, and a director of the Northeast Chamber of Commerce.

Yvonne is a Fellow of the Institute of Chartered Accountants in England & Wales and holds a master's degree and a Doctorate in Business Administration together with the Institute of Directors' Certificate and Diploma in Company Direction.



# The Accounting Officer's Report

The Small Business Commissioner (SBC) is a Corporation Sole, and the role holder is the Accounting Officer for the OSBC.

As Accounting Officer, I am responsible for ensuring that the OSBC has appropriate governance processes and systems to ensure I meet my statutory obligations. I am personally responsible for safeguarding the public funds in my charge, for ensuring propriety and regularity in the handling of those public funds, and for day-to-day operations and management of the OSBC as set out in Managing Public Money.

The OSBC has an essential role in underpinning business confidence by addressing payments which remain unpaid after the due date, helping to resolve individual disputes, and by sharing insight to prevent unfair payment practices. It is funded by the Department for Business and Trade (DBT). OSBC reports to the DBT sponsorship team, which expects that the service operates in a responsible, sustainable way. The sponsorship team also considers the needs of small businesses and stakeholders when approving the OSBC's strategic direction and decision-making processes.

For these reasons, the OSBC Advisory Board regularly reviews information regarding the OSBC's services and operations, and the progress against its commitments, and offers advice and insights accordingly.

To support its decision making, the OSBC Advisory Board receives regular performance reports from the Head of Operations and Policy Delivery as well as other members of the OSBC team covering information about complaint volumes and trends, and stakeholder responses to any formal consultations carried out by the service.

OSBC team members and other colleagues attend OSBC Advisory Board meetings as required, to answer questions about their respective areas of responsibility. The Advisory Board also regularly considers the service's key risks and actions taken to mitigate and manage them.

Up to prior year January 2023, the external member of the Advisory Board chairing the Audit and Risk Assurance Committee (ARAC), Laurence Milsted, met regularly with the Small Business Commissioner (SBC) and internal auditors for the Government Internal Audit Agency (GIAA) to discuss issues and challenges of mutual interest.

Pending the outcome of the 2022-23 Statutory Review of the OSBC, and in light of the ending of the terms of Laurence Milsted and Heidy Rehman as external Advisory Board members, Dr Yvonne Gale has been fulfilling the roles of Chair of the Advisory Board and of its Audit and Risk Assurance Committee (ARAC).

# Statement of Accounting Officer's Responsibilities

The Small Business Commissioner (SBC) is the Accounting Officer of the OSBC. The relevant responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the Managing Public Money guidance published by the HM Treasury.

The OSBC Framework Agreement states that the SBC, as Accounting Officer, is responsible for producing, signing, and publishing an Annual Report and Accounts (ARA), ensuring that proper records are kept relating to the accounts.

The OSBC have been preparing accounts since its launch on 20 December 2017. We have prepared these accounts for the current fiscal year ended 31 March 2024 and will continue to prepare such accounts for subsequent fiscal years.

- In preparing the accounts, the Accounting Officer has complied with the requirements of the Government Financial Reporting Manual and has:
- Observed the Accounts Direction issued by DBT, including the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis
- Made judgements and estimates on a reasonable basis

- Stated whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclosed and explained any material departures in the financial statements
- Prepared the financial statements on a going concern basis and confirmed that the Annual Report and Accounts is fair, balanced, and understandable and taken personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Accounts for the OSBC have been prepared on an accruals basis and provide a true and fair view of the financial state of affairs of the OSBC and of its income and expenditure, Statement of Financial Position, and cash flows for the fiscal year to:

- Give a true and fair view of the state of affairs of the net resource outturn, changes in taxpayers equity and cash flows for the fiscal year.
- Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.



As Accounting Officer for the OSBC, I confirm that as far as I am aware, there is no relevant information of which the OSBC's auditors are unaware. I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that our auditors are also aware of that information.

I take personal responsibility for the Annual Report & Accounts and confirm that I consider the OSBC's Annual Report and Accounts to be fair, balanced, and understandable.



**Liz Barclay**

Accounting Officer Small Business  
Commissioner

Date: 02/06/2025



# Governance Statement

This Governance Statement outlines the framework and process that ensures the effective management and control of the Office of the Small Business Commissioner (OSBC), covering the period from 1st April 2023 to the 31st of March 2024.

The OSBC launched its services on 20 December 2017, covering the whole of the UK (England, Scotland, Wales, and Northern Ireland). Established under the provisions of the Enterprise Act 2016, the OSBC plays a key role in supporting small businesses to resolve their payment disputes with larger businesses, providing information and support, and helping to bring about culture change in private sector payment practices.

Created in legislation as a Corporation Sole, the OSBC is classified as a Non-Departmental Public Body (NDPB), and the OSBC is operationally independent of Government and a partner organisation of the Department for Business and Trade (DBT).

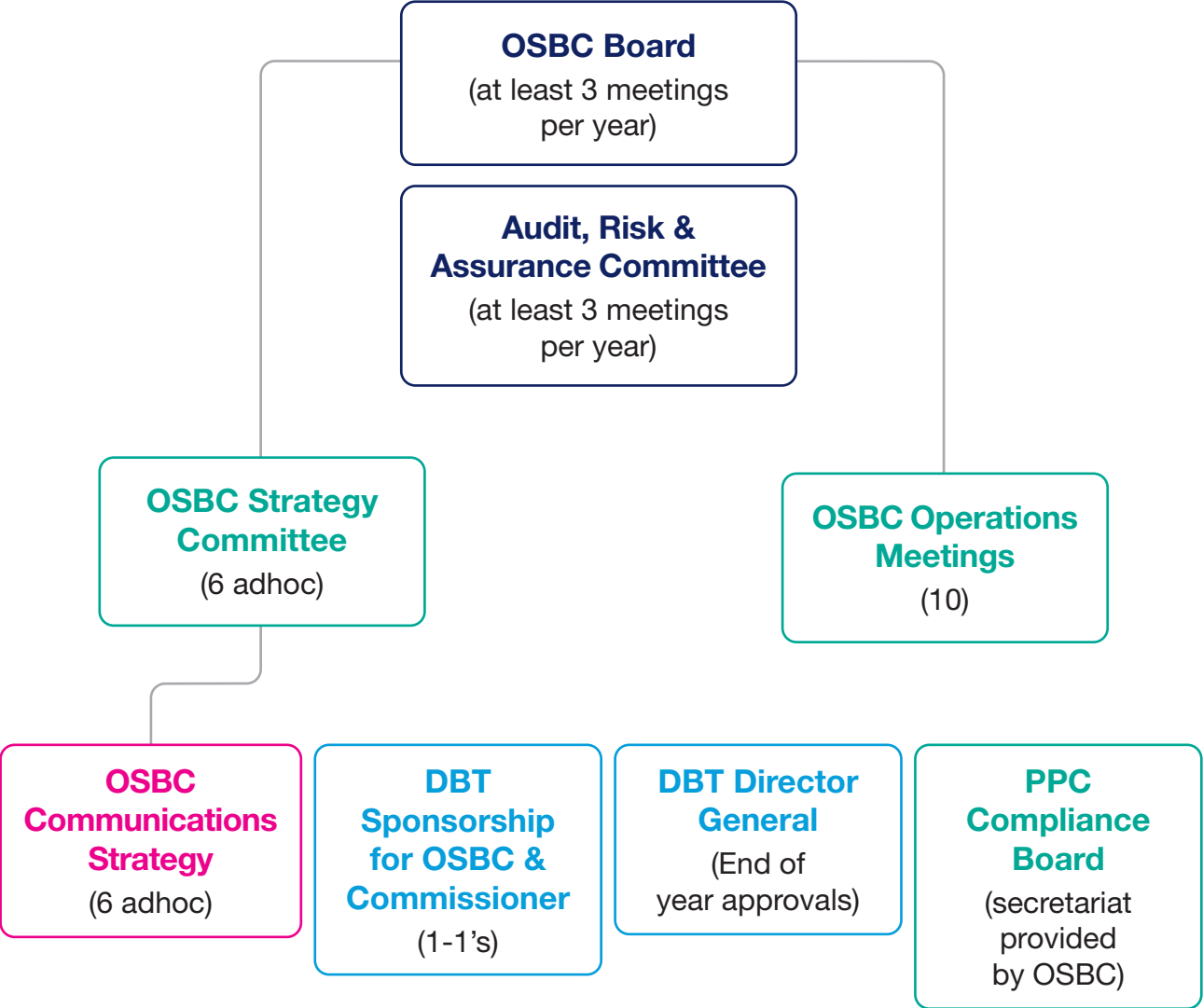
The Secretary of State (SoS) for DBT is responsible for the overall policy framework within which the OSBC operates and has statutory powers in relation to the OSBC. The Secretary of State is responsible to Parliament for the OSBC and will account for its business in Parliament.

The OSBC Framework Agreement was drawn up in 2018 by the former Department for Business, Energy, and Industrial Strategy, now DBT, collaboratively with the OSBC. This document formally sets out the broad framework within which the OSBC operates and the role and responsibilities of the organisation. The document is available to members of the public on the OSBC page, published on [gov.uk](https://gov.uk).

The 2018 Framework Agreement document was revised in October 2021 and signed off by BEIS (now DBT) and the OSBC in spring of 2022.

OSBC Governance Structure

- Key**
- Board / Committee with NED's
  - OSBC & PPC meetings
  - OSBC Comms
  - SBC & DBT meetings



# The Office of the Small Business Commissioner Advisory Board

The OSBC Advisory Board ensures that the SBC receives current, relevant, and expert advice on small business overdue payment and contractual issues, gaining insight into doing business in a diverse, changing UK market. As the SBC, Liz Barclay is responsible for decision-making and collective responsibility.

OSBC Advisory Board members provide a range of talent that would otherwise not be available to the organisation. They are experienced and understand the commercial challenges that come with running an organisation. Although the Board has no governance authority or statutory responsibilities, it meets as a Board at least three times a year and is consulted on an ad hoc basis as required.

The OSBC Advisory Board's primary purpose is to assist the OSBC in discharging its statutory responsibilities. Members of the OSBC team attend meetings as required, to provide work stream updates and the secretariat function for the Board. The Board has a clear remit, objectives, and terms of reference, as well as the expected time commitment, established at the start of members' appointments.

A code of practice is in place for Board members, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies, as far as this is relevant and proportionate. The OSBC Advisory Board receives regular updates from DBT on other relevant bodies/ individuals, including with the Small Business Minister, Cabinet Office, HM Treasury, and other relevant stakeholders and small business organisations. The external members are appointed in the public interest, not as individual representatives of any group or sector. They are not involved in considering the individual complaints that are brought to us and all Board members are independent.

New external members will be appointed to the Board following the publication of the Statutory Review. Yvonne Gale is currently in post as the acting chair of the ARAC and OSBC Advisory Board. Her contract was renewed for 4 years commencing on 1st November 2023. OSBC will ensure appointments are made as an equal opportunity employer, in line with the principles of fairness and impartiality. OSBC Advisory Board appointments are made by the Secretary of State for DBT.

All new external members of the Board go through an induction programme to introduce them to the OSBC service. This includes meeting our employees and executive team, being guided through the complaint's resolution process, familiarisation with our DBT wider support framework, and receiving a handbook of information about the OSBC and the service.

### Current external members of the OSBC Board

**Yvonne Gale**

1 November 2023 to 31 October 2027

### Matters Considered by the OSBC Advisory Board 2023-24

- Statutory Review
- Prompt Payment Code (PPC)
- Operational Delivery
- Annual Report and Accounts 2022-23
- Statutory Review Outcomes and Implications For OSBC
- Strategic And Operational Delivery
- Financial Reporting to DBT Sponsorship Team
- Procurement / OSBC Website
- OSBC Annual Report and Strategy
- Board Effectiveness.

The OSBC Advisory Board met three times during the fiscal year 2023-24. This table below shows the number of meetings attended by Board members, DBT and SBC team members during the year.

Board Membership	Role	Meetings Attended
<b>Liz Barclay</b>	Small Business Commissioner	3/3
<b>Yvonne Gale</b>	External Member (CHAIR)	3/3
<b>Naheed Aziz</b>	Head of Operations	3/3
<b>Jodie Jones</b>	Business Manager	3/3
	Department for Business and Trade (DBT), Deputy Director	1/3
	Department for Business and Trade (DBT), Sponsorship Team Lead	2/3

### The Effectiveness of the Advisory Board and Its Committees

Corporate governance guidelines recommend that a review of the effectiveness of the OSBC Advisory Board is undertaken on an annual basis and that a separate independent evaluation of the OSBC Advisory Board effectiveness is undertaken every three years.

During this reporting period, although the OSBC Advisory Board did not undertake a formal evaluation of its effectiveness, due to the pending outcome of the Statutory Review, the Chair held discussions on effectiveness as part of each Board meeting.

External members of the OSBC Advisory Board would ordinarily be expected to have an annual appraisal of their performance, undertaken by the Board Chair. As only one external Advisory Board member (the chair) remains in post, additional member appraisals did not take place during this period.

The Commissioner's appraisal was not undertaken during this reporting period due to the announced MOG transitional changes and staff turnover within the OSBC's sponsorship department.

### Performance And Data Reporting to the Advisory Board

The OSBC has several quality assurance processes in place for information to be considered by the OSBC Advisory Board. These processes include:

- Consistent reporting and monitoring on performance metrics against OSBC key performance indicators through the use of management information (MI) packs collated quarterly
- These MI packs include current and historical performance information to enable the Board to identify trends and make relevant effective, evidence-based decisions to support key performance targets and business objectives
- The OSBC team applies consistent methodologies for collecting and analysing data that are understood by all staff responsible for data input and collection, with clear sign-off processes
- Feedback from the OSBC Advisory Board regarding the quality of management information provided, and actions undertaken by OSBC in response to emerging issues and risks to service delivery.

# OSBC Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) meets regularly to review and advise the OSBC on how improvements may be facilitated within the operation and development of its services. The committee monitors progress on management's responses to identified or emerging risks while providing recommendations to the accounting officer on all matters the committee considers appropriate.

The ARAC Chair ensures that the service has a clear strategy and direction, with effective management for its current and future needs. The Chair provides oversight to ensure the information provided to the OSBC Advisory Board is of sufficient accuracy and quality, including in terms of the clarity of content and the purpose and action required.

The ARAC Chair has a key role in advising on the modelling of the OSBC services, culture, and values, and its commitment to diversity and inclusion, while acting as an ambassador for OSBC externally.

The ARAC Chair, Commissioner and OSBC Head of Operations set ARAC agendas in advance, ensuring an appropriate balance between strategic matters and operational and risk assurance business. The National Audit Office (NAO) and the Government Internal Audit Agency (GIAA) internal

auditors are also invited to attend the meetings as required. The Chair updates the Board on the ARAC's activities. Minutes are recorded and shared for reference.

The external Board member chairing the Audit and Risk Assurance Committee, met regularly with the Commissioner and OSBC internal auditors for the Government Internal Audit Agency (GIAA) to discuss issues and challenges of mutual interest.

In the light of the ending of the terms of Laurence Milsted and Heidyy Rehman, Dr Yvonne Gale has been fulfilling the roles of Chair of the OSBC Board and of the Audit and Risk Assurance Committee. This will be reviewed following the outcome of the Statutory Review in 2024.

ARAC meetings were held during the reporting period via video conference and the committee received updates from OSBC team members on relevant service engagements and delivery, impact on small businesses, the wellbeing of employees, and on operational resilience.

The OSBC Advisory Board is satisfied that the combined knowledge and experience of the ARAC members ensured that it fulfilled its responsibilities effectively during the year, including the review of the Annual Report and Accounts and financial forecasting statements.

ARAC members fulfil their responsibilities by receiving and considering reports. The key areas considered are set out below:

### **Audit and Risk Assurance Committee (ARAC)**

#### **Matters Considered by the ARAC 2023-24:**

- OSBC Resources & Assets
- OSBC Financial and Performance Reporting
- OSBC Annual Report and Accounts (ARA) production
- OSBC GIAA and NAO audit findings (internal and external)
- Governance processes and Risk Management
- Key Issues and Perspectives from the OSBC

The OSBC team is grateful to the ARAC committee for the time given to support OSBC's strategic development.

### **Internal Audit Reports**

During the reporting period the Government Internal Audit Agency (GIAA) provided an assurance mapping advisory review, assessing the effectiveness of the OSBC assurance map and its Operational Risk Register (ORR).

This audit concluded by confirming that GIAA was satisfied that progress had been made to refine the assurance map and operational risk register and that following sample testing, GIAA was confident that all documents were operating as intended.

GIAA also confirmed that progress continued to be made on previous audit recommendations regarding OSBC's SharePoint functionality, which is key in supporting the organisation's knowledge and information management (KIM) controls.

#### **Topics Covered by the GIAA Audit 2023-24:**

- Assurance mapping advisory review
- Operational risk register (ORR) review
- Use of Share Point with access controls over the creation and storage of documents, investigations, and cases

### **Audit and Risk Assurance Committee Meetings**

The Audit and Risk Assurance Committee (ARAC) met three times during the fiscal year 2023-24. This table shows the number of meetings attended by external members, members of the OSBC team, and other key stakeholders during the year.

ARAC meetings were held in April 2023, August 2023, and February 2024.



## ARAC Committee Membership

Committee Membership	Role	Meetings Attended
<b>Yvonne Gale</b>	External member of the OSBC Board (chair)	3/3
<b>Liz Barclay (by invitation)</b>	Small Business Commissioner	3/3
<b>Observing Representatives</b>	Department for Business and Trade	3/3
	Government Internal Audit Agency	3/3
	National Audit Office	3/3
<b>OSBC Representatives (as required)</b>	Head of Operations & Policy Delivery	3/3
	Business Manager	3/3

## Risk Management

During the reporting period 2023-24, OSBC and ARAC members examined the organisation's Risk Assurance Register and procedures, setting out the degree of risk the organisation was willing to accept against its key strategic objectives.

The OSBC's Risk Assurance Register, is reviewed by the OSBC senior management team (SMT) on a quarterly basis and shared with the ARAC, to develop and enhance OSBC's risk management processes.

OSBC has recently deployed a risk assurance map, including strategy and operational risks, aligned to OSBC's sponsorship department (DBT) procedures.

## Governance Compliance:

The Board monitors compliance with the OSBC Framework Agreement, which is based on the principles of good governance as outlined in the "Corporate Governance in Central Departments" code of practice (Cabinet Office, HM Treasury, April 2017).

The ARAC assesses compliance with the governance framework and reviews the OSBC's strategic risk register regularly to ensure compliance and alignment.

The committee actively seeks assurances from OSBC on the robustness of the governance and risk management processes, including commissioning 'assurance reviews' into specific areas of risk and reviewing GIAA internal audit outcome reports to further strengthen processes.

## Accountability Report

OSBC provides the committee additional assurance by providing quarterly management information (MI) packs, reporting on performance, risks and financial forecasts and spend trajectory. In 2023-24 all aspects of the framework were complied with.

### Internal Controls

The OSBC regularly reviews the risk assurance framework ensuring that risks are proactively identified, mitigated, and escalated as required. The OSBC senior management team (SMT) ensures the Governance Framework is clearly understood and is adhered to by the appropriate staff, and that assurance systems are in place to monitor compliance. In 2023-24, the OSBC internal auditors, Government Internal Audit Agency (GIAA), continued to provide assurance on OSBC's risk management arrangements. During this reporting period, the National Audit Office (NAO) provided an audit management report setting out the findings from their audit of OSBC processes, including their verdicts from areas of key risk which were actioned by the OSBC.

### Register of Interests

Members of the Advisory Board are required to declare conflicts of interest on appointment. All members are required to declare any conflicts of interest before the start of each meeting, informing the Board Chair of current interests and those of people connected with them. This review and assessment ensure that those interests do not conflict with their position as an external member of the OSBC Board.

Any additional conflicts that arise during the year are declared to the OSBC Advisory Board Chair as soon as possible after they arise or at the next OSBC Advisory Board or ARAC meeting.

A register of interests is maintained and reviewed by the OSBC business manager. All employees, including the SBC, are required to update the register of interests on a quarterly basis. The SBC and external members of the Board are subject to the disclosure rules.

During this reporting period, no interests were declared and recorded that were considered to constitute conflicts.

### Personal Data Related Incidents

All members of the OSBC team are aware of the "General Data Protection Regulation" (GDPR) and have completed mandatory training on the Civil Service-Learning (CSL) platform. There have been no personal data related incidents formally reported to the Information Commissioners Office (ICO) in the reporting year.

### Whistleblowing

Whistleblowing is an act of exposing or disclosing past or present information on activity deemed illegal, immoral, illicit, unsafe, or fraudulent within an organisation. If an individual is asked to take an action, or is aware of the actions of others, which they consider to be illegal, endanger others or breach the values of the Civil Service Code, they should raise a whistleblowing concern. The process for raising a whistleblowing concern is publicised internally to staff on an annual basis.

During the reporting period, there has been no disclosures using the whistleblowing process relating to OSBC.

## Funding

The OSBC is funded by a “Grant-In-Aid” for the fiscal year 2023-24, provided by our sponsor department The Department for Business and Trade (DBT). The funding is voted for in our sponsor department’s supply estimate and subject to Parliamentary controls.

## Counter Fraud, Bribery and Corruption

The OSBC adheres to its sponsor department’s (DBT’s) Counter Fraud and Anti-Bribery and Corruption policies, ensuring effective response plans are in place to deal with breaches should they occur. Policies are available to staff on the intranet and promoted at induction and annually via mandatory training requirements.

An assurance of anonymity and security is offered via alternate routes to raise concerns as well as providing professional and independent support as and when necessary. During the reporting period, no action was required under the Counter Fraud and Anti-Bribery and Corruption policies.

## Gifts and Hospitality

OSBC staff are required to declare offers or receipt of gifts and hospitality. To comply with this requirement, a monthly communication is issued to OSBC staff with links to OSBC’s local gifts and hospitality register to record any offers. All offers and gifts are recorded within this register whether the offer was accepted or declined.

## Statement by the Commissioner

I have considered the evidence that supports this governance statement, and I am assured that the OSBC has systems and controls in place to support the delivery of my statutory purposes.

I have no disclosures of control weaknesses to make for the 2023-24 fiscal year.



### Liz Barclay

Accounting Officer Small Business  
Commissioner

Date: 02/06/2025



# Remuneration & Staff Report

## Remuneration Policy

The remuneration for Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body. The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The OSBC has no remuneration responsibilities. The remuneration of the Commissioner is determined by the Secretary of State for the Department for Business and Trade (DBT) under Part 1 in the Enterprise Act 2016. The Small Business Commissioner is a public appointment, designated as a statutory office holder and is a Corporation Sole. The salary of the Commissioner is set by DBT.

Staff are appointed on terms and conditions determined by the SBC and approved by the Secretary of State. All seconded staff retain their home departments' terms and conditions and remain civil servants. Employees directly appointed by the OSBC will be public servants, not civil servants. There are currently no directly appointed employees.

The OSBC team has a headcount of 7 members including the Commissioner, as of 31 March 2024. One team member is on loan from another department and is seconded to the OSBC. This person retains the terms and conditions set by their home department.

The Commissioner and all members of the OSBC team receive a civil service pension.

## 2023-24 Remuneration Figures (subject to audit)

Single total figure of remuneration (1 April 2023 to 31 March 2024) Small Business Commissioner - Public Appointee	Salary (in 5k bandings)	Bonus Payments (in 5k bandings)	Pension Benefits (to the nearest £1000)	Total
	£'000	£'000	£'000	£'000
Liz Barclay	120-125	-	51,000	170-175

**2022-23 Remuneration Figures (subject to audit)**

Single total figure of remuneration (1 April 2022 to 31 March 2023) Small Business Commissioner - Public Appointee	Salary (in 5k bandings)	Bonus Payments (in 5k bandings)	Pension Benefits (to the nearest £1000)	Total
	£'000	£'000	£'000	£'000
<b>Liz Barclay</b>	120-125	-	48,000	170-175

**Note**

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to transfers of pension rights. Not all staff receive a pension.
- 'Salary' includes gross salary; overtime, reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that is subject to UK taxation.
- Salary information above excludes employers' national insurance contributions.
- No allowances, bonuses or non-cash benefits in kind have been made to the Commissioner.
- All gifts and hospitality received are recorded in the OSBC gifts and hospitality register.
- The Pensions Benefits figure does not represent a cash payment, but is a calculation, provided by the pension administrator, of the estimated value of pension benefits accrued during the year under the scheme. The Commissioner and all members of the OSBC team receive a civil servant pension and other pension commitments are met by the home departments of the secondees to the OSBC.

### Pension Entitlements:

Pension benefits are provided through the civil service pension arrangements.

There are five schemes:

- Classic
- Premium
- Classic Plus
- Nuvos
- Alpha

From 1 April 2015 a new pension scheme for civil servants was introduced, the civil servants and others pension scheme or Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher).

From this date all newly appointed civil servants and the majority already in service joined alpha. Prior to this date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The Commissioner is in the Alpha civil service pension scheme.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with pensions increase legislation.

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into Alpha between the period 1 June 2015 and 1 February 2022. All members who switch to Alpha have their PCSPS benefits 'banked,' with those with earlier benefits in one of the final

salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha.

The accrued pension quoted is the pension the member is entitled to receive when they reach the age of 65 or state pension age for members of Alpha.

### The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Pension Entitlements

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### Senior Management Pension Benefits (subject to audit)

	Accrued pension at age 65 at 31 March 24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 24	CETV at 31 March 23	Real increase in CETV total
	£'000	£'000	£'000	£'000	£'000
Liz Barclay	5-10	2.5 - 5	144	90	40

**Notes:** Taking account of inflation, the CETV funded by the employer has decreased in real terms.





### Fair Pay Disclosures (subject to audit)

All reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The median represents the remuneration of that staff member that lies in the middle of the linear distribution of the total staff, excluding the highest-paid director.

All posts (excluding the Commissioner) were filled via loans from Other Government Departments (OGD's). The Commissioner, as a public appointment, was paid by the sponsor department.

The banded remuneration of the highest-paid director in the OSBC in the fiscal year 2023-24 was £120-£125k. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions, or the CETV of pensions.

During the reporting period, the remuneration ratio fell from 3.6 to 3.2. This reduction was due to the staff median total increasing to £38,445 from £33,842 while the highest paid director band remained constant at £120,000-£125,000. The staff median increase was a result of two staff on lower than median salaries exiting the OSBC and the pay award for staff resulting in a 4.5% increase to median salaries.

	For the period ended 31 March 2023	For the period ended 31 March 2024
Band of highest paid directors' total remuneration (£'000) (bands of £5,000)	120-125	120-125
Staff Median total (£)	33,842	39,946
Remuneration ratio	3.6	3.1

SBC based on 31 March 2024 data (P12)	25th Quartile 2023-24	50th Quartile 2023-24	75th Quartile 2023-24
	£	£	£
30,244	3.4:1	3.1:1	2.9:1
Salary	36,042	39,696	41,897

## Salary Component Ratio

SBC based on 31 March 2024 data (P12)	25th Quartile 2023-24	50th Quartile 2023-24	75th Quartile 2023-24
	£	£	£
Salary Ratio	3.4:1	3.1:1	2.9:1
Salary	36,042	39,696	41,897

Percentage change in total salary and bonuses for the highest paid director and the staff average. There are no Senior Civil Servants employed by the OSBC. The Commissioner is a public appointment, remunerated via the Department for Business and Trade (DBT) payroll.

	Total salary and allowance	Bonus payments
	%	%
Salary average	40	(17)
Highest paid director	0	0

### Note

- In 2023-24, 0 (2022-23: 0) employees received remuneration in excess of the highest-paid director.
- The median pay ratio is shared and endorsed by DBT and is consistent with the pay, reward, and progression policies for OSBC's employees taken as a whole.
- No remuneration range has been provided as this would disclose the salaries of individuals who work in the Commissioner's team
- Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in kind. It does not include employer's pension contributions, severance payments and the cash equivalent value of pensions.
- For 2023-24, no allowances, bonuses or benefits in kind have been made to the Commissioner.

There are no Senior Civil Servants employed by the OSBC. The Commissioner is a public appointment, remunerated via the Department for Business and Trade (DBT) payroll.

### Staff Turnover

The figures for the period April 2023 to March 2024 indicate 22% turnover (including secondments and loans).

### Staff Numbers and Costs (subject to audit)

Staff costs represent the majority of our spend. We have continued to build flexibility into our projected and forecast costs to ensure we can scale up and down in response to changing demand and any need for (temporary) additional resources.

From April 2023 to March 2024 the cost of staff remuneration is shown in the table below:

	Year ending 31 March 2024		
	£	£	£
	Permanent Staff	Other Staff	Total
Wages and salaries	123,012	291,358	414,370
Social security costs	15,720	25,884	41,604
Other Pension costs	37,272	57,512	94,784
<b>Total</b>	<b>176,004</b>	<b>374,754</b>	<b>550,758</b>

	Year ending 31 March 2023		
	£	£	£
	Permanent Staff	Other Staff	Total
Wages and salaries	123,012	262,841	385,853
Social security costs	16,529	27,192	43,721
Other Pension costs	37,273	55,881	93,154
<b>Total</b>	<b>176,814</b>	<b>345,914</b>	<b>522,728</b>

### Notes

- There have been no severance payments in the year.
- The OSBC does not operate a defined benefit pension scheme but pays into various civil service pension schemes on behalf of its employees in line with each of those scheme's rules.
- The OSBC is not VAT registered.
- The cost of the OSBC is disclosed under 'public appointment.' The costs of all other staff working in the OSBC are disclosed under 'other staff'.

## Staff Composition

The OSBC employed on average 7 full-time equivalent staff over the reporting period.

The composition of the Office of the Small Business Commissioner is shown below as at 31 March 2024:

External Board Members	For the period ended 31 March 2024		For the period ended 31 March 2023	
	Female	Male	Female	Male
The Commissioner	1	0	1	0
External Board Members	1	0	1	0
OSBC Staff	4	2	5	3

## Sickness Absence Data

During the reporting period, the Commissioner has taken no sickness absence, and all loan staff sick absences was recorded directly with their home departments.

The Average Working Days Lost (AWDL) per staff year in the OSBC was 5 days in the year ended 31 March 2024.

## Staff Policies for Disabled Persons

The OSBC aligns to our sponsorship department's (DBT) workplace adjustments policy, ensuring that employees can perform and thrive in their roles and careers. The framework sets out how the OSBC will identify challenges and barriers faced by people with disabilities or long-term health conditions, whether these are physical or mental, and make adjustments. These include changes to people's working environment or working patterns, providing IT equipment or software, developing the OSBC further to be a better employer and create a more inclusive workplace.

All team members are encouraged to complete Display Screen Equipment (DSE)

assessments, resulting in equipment being ordered to aid employees in their roles where needs have been identified.

The Civil Service is committed to the employment and career development of disabled people. Under the guaranteed interview scheme, we guarantee to interview anyone with a disability whose disability meets the criteria set within the Equality Act 2010 (subject to meeting the minimum criteria for the job vacancy).

## Other Employee Matters

The Statutory Review of the OSBC has added a new layer of complexity and uncertainty regarding the specific resources needed to meet business requirements. As OSBC awaited the outcome of the review, we have recruited to key roles to ensure that the OSBC headcount remains stable across the team.

The OSBC is hindered by not being able to offer permanent posts, limiting the overall pool of applicants for each role. This results in potential future difficulties with appointing candidates in a timely manner, which could affect business as usual (BAU) operations.

### Employee Consultation and Career Development

During the reporting period, there have been no employment issues, including employee consultation and/or participation and recruitment practice.

There are three recognised trade unions in DBT, the FDA, PCS, and Prospect, and we work closely with DBT HR on issues relating to staff pay, terms and working conditions to ensure that colleagues are updated.

To support employee career development and training, staff have regular Performance Development Reviews (PDRs) to form development plans where applicable, supporting OSBC strategic staff development objectives and their careers as they evolve in the organisation.

The OSBC ensures all staff have completed their mandatory training on:

- Security and Data Protection
- \*Health and Safety\*Civil Service Expectations
- Counter Fraud expectations
- \*GDPR
- \*Whistle Blowing Policy
- Secure Remote Policy
- Tag-Evac
- \*DBT Essentials
- Knowledge and Information Basic.

### Expenditure On Consultancy

OSBC recorded no expenditure on consultancy during 2023-24.

(2022-23: None)

### Benefits In Kind

OSBC recorded no benefits in kind during 2023-24.

(2022-23: None)

### Expenditure On Temporary Staff

The OSBC has not employed any temporary staff during the 2023-24 fiscal year.

(2022-23: None)

### Off Payroll Engagements

The tables below show the number of off-payroll engagements above £245 per day. Off-payroll engagements refer to workers paid off-payroll, without deducting tax and national insurance at source, typically contractors.

During the period of this annual report, a Statutory Review of the OSBC was being conducted which, until concluded and implemented, created an interim position whereby two of the three existing external members of the OSBC Board had reached the end of their term of office and new governance processes had yet to be agreed. This resulted in a single external Board member remaining in post.

**Table 1****Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater**

No. of existing engagements as of 31 Mar 2023	1
<b>Of which, number that existed for:</b>	
less than 1 year	0
between 1 and 2 years	0
between 2 and 3 years	0
between 3 and 4 years	1
4 or more years	0

**Table 2****All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater**

No. of temporary off-payroll workers engaged during the year ended 31 March 2024	1
<b>Of which: 4</b>	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	1
Of which: No. of engagements that saw a change to IR35 status following review	0

Table 3 shows the number of individuals that have been deemed “board members, and/or senior officials with significant financial responsibility”, between 1 April 2023 and 31 March 2024. This figure includes the organisation’s sole external member, whose contract ran from November 2019 to June 2023 and was extended for a further four years in June

2023. It is a requirement of the Framework Agreement that the OSBC appoints a Chair of the Audit and Risk Assurance Committee who is an external member, not from the Office of the SBC or OSBC sponsorship team, who holds appropriate experience and knowledge of audit procedures and risk management.



**Table 3**

**For any off-payroll engagements of board members, and/or senior officials with significant fiscal responsibility, between 1 April 2023 and 31 March 2024**

No. of off-payroll engagements of board members, and/or senior officials with significant fiscal responsibility, during the fiscal year.	1
Total no. of individuals on payroll and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility,” during the fiscal year.	1

### Exit Packages (subject to audit)

OSBC has confirmed that no exit packages were paid during 2023-24.

(2022-23: None)

### External Members of the Board (subject to audit)

External Board Members	Number of Board Meetings (Annually)	Actual Fee Paid in Year (Nearest £100)
	£	£
<b>Yvonne Gale</b>	<b>5*</b>	<b>£1,750</b>

\*Yvonne Gale is also the Chair for the Prompt Payment Code (PPC) Compliance Board. Either party may terminate the contract for any reason before the expiry of the fixed period by providing not less than 6 months’ notice in writing.

The Secretary of State may terminate the appointments of external Board members immediately, by giving notice in writing, if they are in breach of any of the terms of their appointment or are unfit, or from any cause whatsoever have become unfit, to discharge duties as a member or if they:

- Have been absent from meetings of the Advisory Board for a period longer than six consecutive months without permission of the Board
- Have been declared bankrupt or made an agreement with their creditors (or, in Scotland, have had their estate sequestrated or have made a trust deed for their creditors or have and had accepted a composition contract)
- Are incapacitated by physical or mental illness
- Are otherwise unable or unfit to discharge the functions of the office.

External members of the Board will receive no notice if their appointment is terminated early by mutual consent. No compensation is payable upon early termination of their contract.

## Responsibilities For Accounting to Parliament

The accountabilities include:

- Producing, signing, and publishing an Annual Report and Accounts detailing the activities of the Office of Small Business Commissioner, and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared, audited, and presented in accordance with any directions issued by the Secretary of State
- Preparing and signing a Governance Statement covering corporate governance, risk management and assurance of any local responsibilities, for inclusion in the Annual Report and Accounts
- Ensuring that effective procedures for handling complaints about the OSBC are established and published
- Acting in accordance with the terms of this document, including the list of Government-wide corporate guidance instructions listed at Appendix 1, Managing Public Money and other instructions and guidance issued from time to time by our sponsor department, the Treasury, and the Cabinet Office
- Giving evidence, normally with the Principal Accounting Officer, when called before the Public Accounts Committee (PAC) on the Commissioner's stewardship of public funds.

## Auditors

### National Audit Office (NAO)

The NAO has direct access to the SBC and Advisory Board Chair to discuss financial reporting matters. NAO is invited to all audit committee meetings. The OSBC Annual Report and Accounts are subject to audit by the comptroller and auditor general, head of the NAO.

### Government Internal Audit Agency (GIAA)

During the reporting period the Government Internal Audit Agency (GIAA) provided an assurance mapping advisory review, assessing the effectiveness of the OSBC assurance map and its Operational Risk Register (ORR).

This audit concluded by confirming that GIAA was satisfied that progress had been made to refine the assurance map and operational level risk register (ORR) and that following sample testing, GIAA was confident that all documents were operating as intended.

GIAA also confirmed that progress continued to be made on previous audit recommendations regarding OSBC's SharePoint functionality, which is key in supporting the organisation's knowledge and information management (KIM) controls.

### Government Functional Standards

To ensure our compliance with Government Functional Standards, we have adopted an incremental approach in rolling out key standards. This approach is proportionate and based on feedback from the DBT sponsorship team. In the initial stage, we focused on specific areas to establish a stable foundation for assurance and risk management. Our priority was to concentrate on GovS( 013) and the development of a response plan for potential instances of fraud, bribery, and corruption. This required a comprehensive review of local policies and a calibration of our approach in alignment with operational and strategic registers. These standards and policies have since been incorporated into our core working procedures.

As we progress through our three-year business plan, we will continue to add further standards and associated guidance. Throughout this process, we will ensure that our approach is consistently applied in proportion to the risk and value of each activity. Furthermore, it will be seamlessly integrated into the organisation's overall assurance framework.

### Regularity of Expenditure – Losses (subject to audit)

There were no losses in the reporting period.

(2022-23: None)

### Regularity of Expenditure – Special payments and severance (subject to audit)

There were no special payments in the reporting period.

(2022-23: None)

### Regularity of Expenditure – Gifts (subject to audit)

Gifts and hospitality are recorded in the Office of the Small Business Commissioner's gifts & hospitality register.

(2022-23: None)

### Fees and Charges (subject to audit)

The OSBC has an annual fee of £300 for bank charges.

(2022-23: None)

### Remote Contingent Liabilities (subject to audit)

OSBC has no remote contingent liabilities for the reporting period.

(2022-23: None)





# Financial Statements

## INDEPENDENT AUDITOR'S REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

### Opinion on financial statements

I have audited the financial statements of the Small Business Commissioner for the year ended 31 March 2024.

The financial statements comprise the Small Business Commissioner's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' 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 financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Small Business Commissioner's affairs as at 31 March 2024 and its net expenditure for the year then ended; and

- have been properly prepared in accordance with the HM Treasury's Government Financial Reporting Manual and Secretary of State for the Department for Business and Trade's directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 am independent of the Small Business Commissioner 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 the Small Business Commissioner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Small Business Commissioner'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 Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Small Business Commissioner is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

### **Other Information**

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's report thereon. The Commissioner as the Accounting Officer is 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.

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.



## Financial Statements

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

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual; and
- the information given in the Performance Report and the Accountability Report for the fiscal year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Small Business Commissioner and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Small Business Commissioner or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Commissioner as the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Commissioner as the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Small Business Commissioner from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with UK adopted International Accounting Standards;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Small Business Commissioner'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 Commissioner as the Accounting Officer anticipates that the services provided by the Small Business Commissioner will not continue to be provided in the future.

### **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, I:

- considered the nature of the sector, control environment and operational performance including the design of the Small Business Commissioner's accounting policies.

## Financial Statements

- inquired of management, Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Small Business Commissioner's policies and procedures on:
  - identifying, evaluating, and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Small Business Commissioner's controls relating to the Small Business Commissioner's compliance with the Enterprise Act 2016 and Managing Public Money;
- inquired of management, the Government Internal Audit Agency and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Small Business Commissioner for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals and unusual transactions. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Small Business Commissioner's framework of authority and other legal and regulatory frameworks in which the Small Business Commissioner operates. I focused 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 the Small Business Commissioner. The key laws and regulations I considered in this context included the Enterprise Act 2016, Managing Public Money, and employment law.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on 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; and

- I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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 I identify during my audit.

### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General

Date: 03/06/2025

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



# Financial Statements for the Year Ended 31 March 2024

## Statement of Comprehensive Net Expenditure

For the year ended 31 March 2024

Operating Expenditure		Year ended 31 March 2024	Year ended 31 March 2023 (Restated)
	Note	£	£
Staff costs	2	550,758	522,728
Other expenditure	3	197,377	207,404
		748,135	730,132
Net operating expenditure		<b>748,135</b>	<b>730,132</b>
Finance Charges	4	1,906	1,121
<b>Net Expenditure for the period</b>		<b>750,041</b>	<b>731,253</b>

## Statement of Financial Position

As at 31 March 2024

SoFP / Balance Sheet		As at 31 March 2024	As at 31 March 2023 (Restated)
	Note	£	£
<b>Non-current assets</b>			
Right of use assets	5 (i)	105,347	113,475
Intangible assets	6	31,094	54,544
<b>Total non-current assets</b>		<b>136,441</b>	<b>168,019</b>
<b>Current assets</b>			
Cash and cash equivalent	7	175,027	77,685
Trade and other receivables	8	28,737	18,202
<b>Total current assets</b>		<b>203,764</b>	<b>95,887</b>

SoFP / Balance Sheet		As at 31 March 2024	As at 31 March 2023 (Restated)
<b>Non-Current liabilities</b>			
Right of use lease liabilities	5 (ii)	(98,033)	(104,981)
<b>Total non-current liabilities</b>		<b>(98,033)</b>	<b>(104,981)</b>
<b>Current liabilities</b>			
Payables and other liabilities	9	(288,635)	(140,155)
Right of use lease liabilities	5 (ii)	(8,680)	(8,557)
<b>Total current liabilities</b>		<b>(297,315)</b>	<b>(148,712)</b>
<b>Total assets less current liabilities</b>		42,890	115,194
<b>Total assets less total liabilities</b>		<b>(55,143)</b>	<b>10,213</b>
<b>Taxpayers' equity</b>			
General reserve		(55,143)	10,213

The notes on pages 72 to 85 form part of these financial statements. The prior year figures have been restated. For more details see note 15 of the Accounts. The financial statements on pages 68 to 71 were approved by the Small Business Commissioner on 02/06/2025.



**Liz Barclay**

Accounting Officer Small Business Commissioner

Date: 02/06/2025



## Statement of Cash Flows

For the year ended 31 March 2024

SoCF / Cash flow		As at 31 March 2024	As at 31 March 2023 (Restated)
	Note	£	£
<b>Cash flows from operating activities</b>			
Net operating expenditure	SoCNE, Note 2 and 3	(748,135)	(730,132)
Adjustments for non-cash expenditure		32,448	31,662
Increase/(decrease) in payables and accruals	9	148,480	(116,804)
(Increase)/decrease in prepayments	8	(10,535)	(11,982)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(577,742)</b>	<b>(827,256)</b>
<b>Cash flows from financing activities</b>			
Bank charges	3	0	0
Grant in aid	SoCiTE	684,685	840,607
Payment of lease liabilities		(7,695)	(8,480)
Interest element of lease liabilities		(1,906)	(1,121)
<b>Cash flows from investing activities</b>			
Purchase of intangibles		0	0
<b>Net (decrease)/increase in cash and cash equivalents for the period</b>	7	<b>97,342</b>	<b>3,750</b>
Cash and cash equivalents at the beginning of the period	7	77,685	73,935
Cash and cash equivalents at the end of the period	7	175,027	77,685

The notes on pages 72 to 85 form part of these financial statements



## Statement of Changes in Taxpayers Equity

For the year ended 31 March 2024

SoCiTE / Taxpayer's equity	As at 31 March 2024	As at 31 March 2023 (Restated)
	£	£
Balance at 1 April 2023	10,213	(99,142)
Comprehensive net expenditure for the year	(750,041)	(731,253)
Grant in aid	684,685	840,608
Prior year corrections		
<b>Balance at 31 March 2024</b>	<b>(55,143)</b>	<b>10,213</b>

The notes on pages 72 to 85 form part of these financial statements.

The prior year figures have been restated. For more details see notes 15 of the accounts.



# Notes to the Accounts

## 1. Statement of Accounting Policies

The Office of the Small Business Commissioner (OSBC) is an independent public body set up by Government under the Enterprise Act 2016. It is classified as an executive non-departmental public body (NDPB) of the Department for Business and Trade (DBT). OSBC is registered at Office of the Small Business Commissioner, 23 Stephenson Street, Birmingham, B2 4BH. The OSBC was launched on 20 December 2017 and these accounts are prepared for the year from 1 April 2023 to 31 March 2024.

The principal activity of the OSBC is to tackle overdue payment and unfavourable payment practices in the private sector.

### 1.1 Basis of Accounting

These financial statements have been prepared on an accruals basis in accordance with direction from the Secretary of State for DBT and the 2023-24 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the OSBC for the purpose of giving a true and fair

view has been selected. The particular policies adopted by the OSBC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Annual Accounts have been prepared as directed by the Secretary of State for DBT and certified by the Comptroller and Auditor General, as agreed with the Comptroller and Auditor General.

### 1.2 Accounting Convention

These accounts have been prepared on the accrual's basis. The Accounts Direction issued by DBT provides that the SBC is required to prepare and publish a report describing what the Commissioner has done during the reporting period. The Commissioner must send a copy to the Secretary of State, and it must be laid before Parliament.

### 1.3 Going Concern

The OSBC has approval from the Secretary of State for grant in aid for 2024-25 that fully takes into account budgeted expenditure. In turn, the OSBC will receive grant in aid for 2024-25 to fund its activities. It has been accordingly considered appropriate to adopt a going concern basis for the preparation of these financial statements.

There was no material uncertainties identified in the going concern status of the OSBC. The OSBC has considered the impact of any changes to the Enterprise Act 2016 on its ability to continue as a

going concern. It is believed that any changes would not impact the OSBC's objectives and the way it operates, although it may impact the banner under which it operates. An extension to the remit of the OSBC under the legislation, and increase in operating activity, would require additional funding from DBT. The OSBC believes this funding would be provided.

#### **1.4 Applicable Accounting Standards Issued but Not Yet Adopted**

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts', which requires reporters to identify insurance contracts, and for those contracts recognise an insurance contract liability. The insurance contract liability is calculated as the present value of future insurance cashflows (the fulfilment cash flows) plus a subsequent risk adjustment. The IASB announced the deferral of IFRS 17 until 1 January 2023 and the implementation timetable in the public sector is being extended to at least 1 April 2025. The OSBC does not issue insurance contracts. Therefore, the OSBC believes there will be no impact to the financial statements.

#### **1.5 New Accounting Standards Adopted in the Year and FReM Changes**

No new accounting standards have been adopted in these financial statements and the OSBC is not impacted by any other changes to the FReM.

#### **1.6 Grant in Aid**

Grant in aid is paid to the OSBC on an annual basis to cover the net cash revenue and capital requirements in the year. Grant in aid is utilised in the settlement of its statutory and other obligations and is credited to the general reserve in the year in which it is received because it is regarded as a contribution from a controlling party which gives rise to a financial interest in the OSBC.

#### **1.7 Expenditure & Staff Costs**

All expenditure is recognised on an accrual's basis. Staff costs are recognised as expenses when the OSBC becomes entitled to relevant benefits, including the cost of any untaken leave entitlement.

#### **1.8 Financial Instruments**

The only financial instruments held by the OSBC other than the lease liabilities are cash balances and trade payables. Financial instruments are initially measured at fair value and classified subsequently as held at amortised cost.

#### **Financial Assets**

The OSBC holds financial assets, which comprise of current balances with banks, 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.

### Financial Liabilities

The OSBC holds financial liabilities, which comprise of trade payables. Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. The carrying value of the items in the above table is assumed to approximate the fair value due to their short-term nature.

### 1.9 Intangible Assets

Expenditure on intangible assets consists of the OSBC's website and is capitalised where the cost is £2,000 or more and has a useful life of more than one year.

Intangible assets are reviewed annually for impairment and are carried at historic cost less amortisation.

The website is amortised on a straight-line basis over a period of 4 years.

### 1.10 General Reserve

The OSBC accounts for accumulated surplus or deficit in the general reserve.

### 1.11 VAT

The OSBC is not VAT registered. The OSBC is not part of the wider DBT VAT group therefore no VAT will be recoverable.

### 1.12 Leases

At the inception of a contract, the OSBC assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is recognised in a contract, the OSBC recognises a right of use asset and a lease liability at the lease commencement date.

The OSBC has applied the recognition exemption of low value leases and short-term leases (duration less than 12 months). For these leases, the lease payments are charged to the SoCNE on a straight-line basis over the lease term.

The right of use asset is initially measured at cost, which comprises the following:

- the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date,
- plus, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located,
- less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an HM Treasury issued discount rate for leases.

The OSBC applies the HM Treasury discount rate of 0.91% which was the HMT discount rate at the time of entering into the lease, which is permitted by the FReM where interest rates implicit in the lease cannot be readily determined.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in our assessment of whether we will exercise a purchase, extension, or termination option.

## 2. Staff Costs

The cost of staff remuneration was:

	Year ending 31 March 2024		
	£	£	£
	Permanent Staff	Other Staff	Total
Wages and salaries	123,012	291,358	414,370
Social security costs	15,720	25,884	41,604
Other Pension costs	37,272	57,512	94,784
<b>Total</b>	<b>176,004</b>	<b>374,754</b>	<b>550,758</b>

	Year ending 31 March 2023		
	£	£	£
	Permanent Staff	Other Staff	Total
Wages and salaries	123,012	262,841	385,853
Social security costs	16,529	27,192	43,721
Other Pension costs	37,273	55,881	93,154
<b>Total</b>	<b>176,814</b>	<b>345,914</b>	<b>522,728</b>

There have been no severance payments in the year.

The OSBC does not operate a defined benefit pension scheme but pays into various Civil Service pension schemes on behalf of its employees in line with each of those scheme's rules.

For further information on staff costs and numbers, please see the Accountability Report.

### 3. Other Expenditure

	Year ending 31 March 2024	Restated: Year ending 31 March 2023
	£	£
Marketing	12,323	9,336
Allowances	0	1,085
Audit	50,964	46,140
Accommodation costs	27,142	31,899
Computer equipment and software	68,589	69,677
General expenses	712	4,759
Legal and professional	2,192	6,837
Travel & subsistence	2,708	5,709
Bank charges	300	300
Short term lease costs	0	0
<b>Total other operating expenditure</b>	<b>164,930</b>	<b>175,742</b>
<b><i>Depreciation</i></b>		
Right of use assets (leases)	8,997	8,932
<b><i>Amortisation</i></b>		
Amortisation of intangible assets	23,450	22,730
<b>Total other expenditure</b>	<b>197,377</b>	<b>207,404</b>

Included in Audit above is £48,000 (2023: £33,240) which relates to the audit of SBC's accounts. The remaining amount relates to other audit services not performed by SBC's auditor. The 2022-23 audit fee was previously disclosed as VAT recoverable. However, SBC is not able to recover VAT and therefore it has been restated to include VAT of £4,700. Further explanations on restatement can be found in Note 15.

## 4. Finance Cost

	Year ending 31 March 2024	Restated: Year ending 31 March 2023
	£	£
Unwinding of discounting on lease liabilities	1,906	1,121
<b>Total finance cost</b>	<b>1,906</b>	<b>1,121</b>

## 5. Leases

### I. Right-of-use asset

Cost or Valuation	2023-24
	£
At 1 April 2023	127,938
Additions	0
Disposals	0
Remeasurement	870
<b>At 31 March 2024</b>	<b>128,808</b>
<b><i>Depreciation</i></b>	
At 1 April 2023	14,463
Charge	8,998
Disposal	0
Reclassification	0
<b>At 31 March 2024</b>	<b>23,461</b>
<b>Net book value at 31 March 2024</b>	<b>105,347</b>
<b>Net book value at 31 March 2023</b>	<b>113,475</b>



Cost or Valuation	2022-23
	£
At 1 April 2022	127,938
Additions	0
Disposals	0
Remeasurement	
<b>At 31 March 2023</b>	<b>127,938</b>
<b><i>Depreciation</i></b>	
At 1 April 2022	5,531
Charge	8,932
Disposal	0
Reclassification	0
<b>At 31 March 2023</b>	<b>14,463</b>
<b>Net book value at 31 March 2023</b>	<b>113,475</b>
<b>Net book value at 31 March 2022</b>	<b>122,407</b>

The right-of-use asset relates to a 14.3-year lease, entered into on 18 August 2021, with the Government Property Agency, for office space for SBC at 23 Stephenson Street, Birmingham

## II. Lease liabilities

Obligations for the following periods comprise:

Buildings	As at 31 March 2024	As at 31 March 2023
	£	£
Within one year	9,600	9,600
Within 2 to 5 years	38,401	38,401
Over 5 years	64,362	72,822
	<b>112,363</b>	<b>120,824</b>
Less interest element	(5,650)	(7,285)
Total present value of obligations	106,713	113,539
<b>Current</b>	<b>8,680</b>	<b>8,557</b>
<b>Non-Current</b>	<b>98,033</b>	<b>104,981</b>

## III. Total cash outflow for leases

	As at 31 March 2024	As at 31 March 2023
	£	£
	9,600	9,600

Short term leases expenses for the period were £nil (2023: £nil).



## 6. Intangible Assets

Cost or Valuation Website	2023-24
	£
At 1 April 2023	96,540
Additions	0
Disposals	0
Reclassification	0
<b>At 31 March 2024</b>	<b>96,540</b>
<b><i>Amortisation</i></b>	
At 1 April 2023	41,996
Charge	23,450
Disposal	0
Reclassification	0
<b>At 31 March 2024</b>	<b>65,446</b>
<b>Net book value at 31 March 2024</b>	<b>31,094</b>
<b>Net book value at 31 March 2023</b>	<b>54,544</b>

Cost or Valuation Website	2022-23
	£
At 1 April 2022	96,540
Additions	0
Disposals	0
Reclassification	0
<b>At 31 March 2023</b>	<b>96,540</b>
<b><i>Amortisation</i></b>	
At 1 April 2022	19,266
Charge	22,730
Disposal	0
Reclassification	0
<b>At 31 March 2023</b>	<b>41,996</b>
<b>Net book value at 31 March 2023</b>	<b>54,544</b>
<b>Net book value at 31 March 2022</b>	<b>77,274</b>

## 7. Cash and cash equivalents

SoCF / Cash flow	As at 31 March 2024	As at 31 March 2023 (Restated)
	£	£
Balance at 1 April	77,685	73,935
Net change in cash and cash equivalent balance	97,342	3,750
<b>Balance at 31 March</b>	<b>175,027</b>	<b>77,685</b>
The following balances were held at:		
Government banking service	175,027	77,685

## 8. Trade and other receivables

Amounts falling due within one year

SoCF / Cash flow	As at 31 March 2024	As at 31 March 2023 (Restated)
	£	£
Prepayments	28,737	18,202
<b>Total</b>	<b>28,737</b>	<b>18,202</b>

## 9. Trade Payables and other liabilities

Amounts falling due within one year

SoCF / Cash flow	As at 31 March 2024	As at 31 March 2023 (Restated)
	£	£
Trade and other payables	154,595	77,690
Accruals	134,040	62,465
<b>Total</b>	<b>288,635</b>	<b>140,155</b>

For further information on the restatements, please refer to Note 15 of the financial statements.

## 10. Other Financial Commitments

	As at 31 March 2024	As at 31 March 2023
	£	£
Website provider costs	24,750	16,726
<b>Total</b>	<b>24,750</b>	<b>16,726</b>

## 11. Financial Instruments

As the cash requirement of the OSBC is met through DBT, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The OSBC financial instruments relate to cash, trade & other payables, and trade & other receivables and therefore the OSBC is exposed to little credit, liquidity, or market risk.

## 12. Contingent assets and liabilities

There are no contingent assets or liabilities to report.

## 13. Related party transactions

The OSBC is a non-departmental public body sponsored by the Department of Business, and Trade. DBT is regarded as a related party. During the year, the OSBC has had material transactions with the Department, comprising Grant in aid receipts reported in the Statement of Changes in Taxpayers Equity on page 71.

The OSBC had no material transactions with other Government departments and other central Government bodies.

No board member, key manager or other related parties has undertaken any material transactions with the OSBC during the year, except for remuneration paid for their services. Remuneration to senior civil servant (SCS) staff is included within the remuneration report on page 48.

## 14. Events after the reporting date and Accounting Office declaration

The Accounting Officer authorised these financial statements for issue on the date stated below the Statement of Financial Position on page 68. They were certified by the Comptroller and Auditor General on the date in the Audit Report on page 67.

In accordance with the requirements of IAS 10 'Events After the Reporting Period', post-Statement of Financial Position events are considered up to the date on which Accounts are authorised for issue.

## 15. Prior Period Restatement

We have found that during the fiscal year 2023-24 costs that related to prior year (2022-23) were omitted in the 2022-23 financial statements. As a result, these costs have been removed from 2023-24 financial statements and restated in the 2022-23 financial statements. The restatement only affected the in-year and year-end balances for 2022-23 and the 1 April 2022 balances were unaffected.

The effect of the restatements on prior year is summarised below.

- 2022-23 audit fee expenditure was recognised incorrectly. The estimated fee of £19,800 was recorded twice and the adjustment removes the duplicate posting. Additional expenditure of £13,440 has been recognised to reach the correct fee of £33,240 as disclosed in Note 3. The result of these adjustments is a net decrease in audit services of £6,360.
- An error was identified in the 2022-23 restatement which incorrectly adjusted liabilities and resulted in a balancing figure in reserves. This has been corrected, resulting in a £42,724 adjustment to current liabilities and reserves at 31 March 2023.
- In 2022-23 expenditure was understated as a result of postings which incorrectly treated VAT as recoverable. Additional expenditure of £5,160 has been recognised to correct this, including £4,700 of other audit services not related to the audit of SBC's account.



## Financial Statements

### Statement of Comprehensive Net Expenditure

	Per 2022/23 Accounts	Increase 22/23 audit fee	Removal of duplicate AP	VAT irrecoverable	As at 31 March 2023 (Restated)
	£	£	£	£	£
Audit Services	47,800	13,440	-19,800	4,700	46,140
General expenses	4,299			460	4,759
<b>Net Expenditure</b>	<b>52,099</b>	<b>13,440</b>	<b>-19,800</b>	<b>5,160</b>	<b>50,899</b>

### Statement of Financial Statement

	Per 2022/23 Accounts	VAT irrecoverable & audit fee	Removal of duplicate AP	Correction of the 22/23 restatement	As at 31 March 2023 (Restated)
	£	£	£	£	£
Trade & other payables	-68,336	-5,160	19,800	-23,995	-77,691
Accruals	-30,296	-13,440		-18,729	-62,465
<b>Net liabilities</b>	<b>-98,632</b>	<b>-18,600</b>	<b>19,800</b>	<b>-42,724</b>	<b>-140,156</b>
Taxpayers' equity for 2022-23		-18,600	19,800	-42,724	-41,524

The effect of the restatement on Statement of Changes in Taxpayers Equity is summarised below

	Per 2022-23 Accounts	Impact of restatements	As at 31 March 2023 (Restated)
	£		£
<b><i>Statement of Changes in Taxpayer's Equity</i></b>			
Opening Balance at 31 March 2022	(99,142)	0	(99,142)
Comprehensive net expenditure for the year	(732,453)	1,200	(731,253)
Grant in aid from BEIS paid	840,608		840,608
Prior year corrections	42,724	(42,724)	0
<b>Closing Balance at 31 March 2023</b>	<b>51,737</b>	<b>(41,524)</b>	<b>10,213</b>

# Glossary and Appendices

## **Complaints Handling Scheme**

Small businesses can complain to the Office of the Small Business Commissioner about payment problems they are encountering concerning their larger business customers. The OSBC can make non-binding recommendations on how the parties should resolve their disputes.

## **Larger Business (Medium or Large Business)**

Larger business means a business that is not a small business. A larger business will therefore have 50 or more employees and will encompass both medium and large businesses as defined by the Companies Act 2006. The full definition of a larger business in relation to the Office of the Small Business Commissioner complaints handling service can be found in The Enterprise Act 2016.

## **Small Business**

For the purpose of determining who is in remit of the Office of the Small Business Commissioner complaints handling scheme, a small business is a business which has fewer than 50 employees. The full definition of a small business in relation to those in remit of the OSBC's complaints handling service can be found in The Small Business Commissioner (Remit and Scheme) Regulations 2017.

## **Prompt Payment Code**

The Prompt Payment Code (PPC) is a voluntary code of practice for businesses, administered by the Office of the Small Business Commissioner (SBC) on behalf of DBT. It was established in December 2008 and sets standards for payment practices between organisations of any size and their suppliers.



# Appendix A

## OSBC Engagement

1 April 2023 – 31 March 2024

### Network Regular Meetings

- ACCA England, Scotland, Wales, and Northern Ireland
- British Chambers of Commerce
- FSB England, Scotland, Wales, and Northern Ireland
- UK Finance
- Chartered Association of Business Schools
- The major and challenger banks
- Finance and Leasing Association
- Institute of Internal Auditors
- Institute of Directors
- ICAEW
- EY/BDO
- Business Fraud Network
- Small Business Britain
- Good Business Pays
- Accounts Payable Association
- P2P Network
- E-invoicing Advocacy Lab
- Financial Ombudsman Service
- Business Support Service
- Freelancer Club
- Underpinned
- FinTech firms in the procurement and payments sectors
- Smart Data Foundry
- Open Banking Excellence
- Construction Sector bodies such as CLC Retentions Group and FIS
- Build UK
- Money Advice Liaison Group
- CTSI
- Enterprise Research Centre
- Enterprise Nation
- IPSE
- Forum of Private Business
- Micro Business Alliance
- Business Doctors
- Elite 100
- Your Business Community
- National Enterprise Network
- Scottish Enterprise
- MPs
- Local Authority Small Business leads
- London Corporation
- Ministry of Justice
- Cabinet Office Small Business Crown Rep
- Law Society
- Bar Standards Board
- Lending Standards Board

### OSBC Meetings

- UK Small Business Minister
- Small Business Minister Scotland
- Cabinet Office Crown Commercial Representative for Small Businesses
- ACCA England, Scotland, Wales, and Northern Ireland
- ICAEW
- CICM
- Chambers of Commerce inc Worcester, Southeast, Southwest and Midlands, Surrey, Hertfordshire
- FSB England, Scotland, Wales, and Northern Ireland
- No 10 Business Unit
- Business Schools such as Warwick, Peterborough, Aston

### Press and Media Coverage

#### May 2023

**Good Business Pays TV interview** with Terry Corby

#### July 2023

The OSBC received a rising number of complaints from small business sellers on Etsy, regarding their money being withheld. The issue was covered across national media and the Commissioner was invited to discuss the issues across various outlets.

#### Sky News interview

**BBC News**, SBC: *“The Commission was receiving reports of “many small firms owed several thousands of pounds, which was heart breaking at a time when people are*

*struggling with the rising cost of living on top of huge increases in costs of business bills and materials”.*

**BBC Radio 5 Live, Wake up to money**

**BBC Radio 4, You and Yours**

**BBC Radio Scotland**

**The Guardian**

**BBC Radio Scotland**

#### August 2023

The OSBC received intelligence and complaints from small firms regarding Amazon’s extended payment terms on sale proceeds. DBT and the Small Business Minister worked with the Commissioner and wrote to Amazon, requesting an explanation. The story generated wide ranging media coverage.

Article: [startups.co.uk](https://startups.co.uk)

Article: **The Guardian**

**BBC Radio 5 Live, Wake up to money**

**BBC Radio 4, You and Yours**

Elite Business Magazine: The Commissioner contributes a monthly opinion piece for EB publication.

**‘Resolving payment disputes or attempting to!’**

#### September 2023

#### Good Business Pays TV

Founder & CEO, Terry Corby invited the Commissioner, and industry leaders share their views on what they think about the supplier payment culture in big businesses, how it affects small businesses and who in large businesses they think is responsible for payment culture.

Elite Business Magazine: The Commissioner's monthly opinion piece for Elite Business online publication. *'Pulling on the golden thread' Payments. They're the golden thread that runs through all businesses*

**October 2023**

Elite Business 100 monthly Op-Ed: **The benefits of promoting the 'trickle up theory'**

**November 2023**

Fix Radio: **SBC joined the Clive Holland show** to talk about how overdue payments affect small businesses

Elite Business 100 monthly Op-Ed: **'Making it easier to get paid'**

**Speaking Engagements /  
Webinars Included**

Construction Week

World Finance Forum

Credit Matters Conference Poland

Lloyds Bank

Working Capital Forum

Small Business Saturday

ICAEW

ERC (UK)

Small Business Britain

Business Doctor Events

Barclays

National Enterprise Network

P2P Network

Accounts Payable Association

IoD

Finishers and Interiors Sector

Worcester Business Conference

MALG Conference and National meeting

Solent Business Forum

Experian Business Conference

Social Value Hub Conference

Xero roundtable

APPG Access to Finance

APPG Fair Business Banking

APPG on Online Marketplaces and Supply Chains

OPSS Conference

FT Payments panel

Stephen Hammond Payments Roundtable

National Women's Enterprise Week

Sage: Harnessing Digital Growth

London Assembly Payments Evidence Gathering event

Elite 100 Conference

British Chambers of Commerce events

Great British Entrepreneur Awards

British Business Awards









Small Business  
Commissioner



E03208411  
ISBN978-1-5286-5197-4