Bank of England

Bank of England Alternative Liquidity Facility Limited Annual Report and Accounts

1 March 2021–28 February 2022

Bank of England Alternative Liquidity Facility Limited
8 Lothbury
London EC2R 7HH

Incorporated in England and Wales with limited liability under the UK Companies Act
Company Number: 11728437

Bank of England
Alternative Liquidity Facility Limited
Annual Report and Accounts

1 March 2021 to 28 February 2022

Contents

Directors' Report for the year ended 28 February 2022

The Directors present their report and the audited financial statements of Bank of England Alternative Liquidity Facility Limited ('the Company') for the year ended 28 February 2022.

Business review and principal activity

The Company was incorporated as a wholly owned subsidiary of the Bank of England (the Bank) on 14 December 2018 and commenced activities on 2 December 2021. The principal activity of the Company is to offer a non-interest based deposit facility backed by the Bank to commercial banks that cannot pay or receive interest.

The Company houses a deposit facility to allow UK banks to hold sterling deposits at the Bank in a similar way to conventional banks under its Sterling Monetary Framework.

The deposits held with the Company will help enable participant banks to meet regulatory requirements to hold a buffer of high-quality liquid assets (HQLA) to meet obligations as they fall due.

The Bank acts as agent for the Company and is responsible for day-to-day operations. The Bank also acts as guarantor for the principal value of deposits in the Company, and stands ready to step in as co-depositor for any residual or outstanding capacity of the facility.

Under the Company's model, participant deposits are backed by a fund of high-quality securities known as sukuk, complemented as needed by cash deposits at the Bank. The return on the sukuk is at a fixed rate in US dollars. The Company uses a cross-currency swap to turn the fixed US dollar payments into sterling payments that are linked to a floating SONIA market rate. The return from these instruments, net of hedging and operating costs, may be paid to depositors in lieu of interest.

The maturity dates of the sukuk and cross-currency swap are aligned, and the Company's intention is to hold both to maturity. The valuation of these instruments in the accounts represents a theoretical value if the assets were sold at current prices, and therefore fluctuates with market prices. The profit declared by the Company in the accounts is largely comprised of these unrealised mark-to-market changes in the valuation of the instruments, and therefore does not represent an actual cash income for the facility.

Directors

The Executive Director for Markets, the Chief Financial Officer and the Chief Cashier and Executive Director of Banking were Directors of the Company during the year:

Andrew Hauser
Afua Kyei
Sarah John

The Directors have been indemnified by the Bank against personal civil liability arising from the carrying out or purported carrying out of their functions, provided they have acted honestly and in good faith and have not acted recklessly.

None of the Directors had a beneficial interest at any time during the financial year in the shares of the Company.

Political contributions

The Company made no political donations and incurred no political expenditure during the financial year.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the Company's Auditor is aware of that information.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

The Company's financial statements for the period to 28 February 2022 are presented on pages 11–24.

Assessment of going concern

In making their going concern and viability assessments, the Directors have considered information relating to present and potential conditions, including cash flows and the ability of the Company to meet its liabilities as they fall due.

By order of the Board:

A Hauser	**S John**	**A Kyei**
Director	Director	Director
6 July 2022	6 July 2022	6 July 2022

Independent auditor's report to the members of Bank of England Alternative Liquidity Facility Limited

Opinion

We have audited the financial statements of Bank of England Alternative Liquidity Facility Limited ('the Company') for the year ended 28 February 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and operational managers including inspection of policy documentation as to the Company's high-level policies to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Review of Board minutes.

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is straightforward with no judgement involved in the calculation, and no pressures or incentives for management to manipulate revenue have been identified.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;

- in our opinion the information given in that report for the financial year is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

The purpose of our audit work and to whom we owe our responsibilities

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

Richard Faulkner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

6 July 2022

Statement of comprehensive income for the year ended 28 February 2022

	Note	2022 (£mn)	2021 (£mn)
Net gains on financial instruments		2.0	–
Income received on financial instruments		0.3	–
Total income		**2.3**	**–**
Administrative expenses	4	(0.1)	–
Total expenses		**(0.1)**	**–**
Profit before taxation		**2.2**	**–**
Taxation	5	(0.7)	–
Profit after taxation		**1.5**	**–**

All income is derived from continuing activities. There was no other comprehensive income during the year ended 28 February 2022 (2021: £nil).

The notes on pages 15–24 are an integral part of these financial statements.

Statement of financial position as at 28 February 2022

	Note	2022 (£mn)	2021 (£mn)
Assets			
Cash	12	124.9	–
Securities held at amortised cost	6	74.5	–
Derivatives	7	2.5	–
Other assets	8	0.4	–
Total assets		**202.3**	**–**
Liabilities			
Loans and other borrowings	9	200.0	–
Deferred tax liability	5	0.7	–
Other liabilities	10	0.1	–
Total liabilities		**200.8**	**–**
Equity			
Capital	11	–	–
Retained earnings		1.5	–
Total equity attributable to shareholders		**1.5**	**–**
Total liabilities and equity attributable to shareholders		**202.3**	**–**

The financial statements were approved by the Board on 6 July 2022 and signed on its behalf by:

A Hauser
Director

S John
Director

A Kyei
Director

Statement of changes in equity for the year to 28 February 2022

	Attributable to equity shareholder			
	Capital (£mn)	Reserves (£mn)	Retained earnings (£mn)	Total (£mn)
Balance at 1 March 2020	**–**	**–**	**–**	**–**
Post-tax comprehensive income for the period	–	–	–	–
Balance at 28 February 2022	**–**	**–**	**–**	**–**
Balance at 1 March 2021	**–**	**–**	**–**	**–**
Post-tax comprehensive income for the period	–	–	1.5	1.5
Balance at 28 February 2022	**–**	**–**	**1.5**	**1.5**

The entire capital comprising 100 authorised and issued ordinary shares of £1 is held by the Governor and Company of the Bank of England.

The notes on pages 15–24 are an integral part of these financial statements.

Statement of of cash flows for the year ended 28 February 2022

	Note	2022 (£mn)	2021 (£mn)
Cash flows from operating activities			
Profit after tax		1.5	–
Adjustments for:			
Sukuk earnings	8	(0.4)	–
		1.1	**–**
Changes in operating assets and liabilities:			
Increase in sukuk	6	(74.5)	–
Increase in derivative	7	(2.5)	–
Increase in deferred tax	5	0.7	–
Increase in other liabilities	10	0.1	–
Cash utilised in operations		**(76.2)**	**–**
Net cash from operating activities		**(75.1)**	**–**
Cash flows from financing activities			
Increase in loans and other borrowings		200	–
Net cash from financing activities		**200**	**–**
Net increase/(decrease) in cash and cash equivalents	**9**	**124.9**	**–**
Cash and cash equivalents at 1 March	9	–	–
Cash and cash equivalents at 28 February	**9**	**124.9**	**–**

The notes on pages 15–24 are an integral part of these financial statements.

Notes to the financial statements

1: Basis of preparation

Form of presentation of the financial statements

The financial statements comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Cash Flows, Statement of Changes in Equity and related notes.

The Company financial statements have been prepared and approved by the Directors in accordance with international accounting standards in accordance with UK-adopted international accounting standards (‘UK-adopted IFRS’).

The financial statements have been prepared on a going concern basis under the historical cost convention, except for to include the revaluation of financial assets and liabilities that are held at fair value through profit or loss, and in accordance with the Companies Act 2006 and applicable accounting standards.

In making their going concern and viability assessments, the Directors have considered information relating to present and potential conditions, including cash flows and the ability of the Company to meet its liabilities as they fall due.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

2: Accounting policies

The following principal accounting policies have been applied consistently in the preparation of the financial statements.

a: Functional and presentational currency

The financial statements are presented in sterling, which is the Company’s functional and presentational currency.

b: Classification and measurement

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities.

Initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (‘FVPL’), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The Company invests in sukuk which are accounted for at amortised cost using the effective profit rate (EPR) method. The EPR method is the rate that exactly discounts the estimated stream of cash payments or receipts, without consideration of future credit losses, over the expected life (behavioural life) of the financial instrument. Accrued profits attributable to sukuk are reported in ‘Other assets’. Profits receivable and payable on sukuk are recognised in profit or loss as they accrue, using the EPR method.

The derivative instruments held by the Company do not meet the above criteria, and are held at FVPL. Net gains and losses are recognised in profit or loss.

The Company classifies its financial liabilities at amortised cost. These deposits are held at cost and are interest free.

Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except balances for which credit risk (ie the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

c: Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash balances with less than three months' maturity from the date of acquisition.

3: Judgements

Expected credit loss

Impairment under IFRS 9 adopts a staging approach, with Stage 1 representing the lowest credit risk and Stage 3 the highest. When a new asset is originated it is classified as Stage 1 (normal origination). Moving from Stage 1 to Stage 2 is a key judgment, and is based on management defined criteria of whether there is a significant increase in credit risk. Given the immaterial impact of expected credit loss this is not considered to be a significant judgement under IAS 1.122

4: Administrative expenses

	2022 (£000)	2021 (000)
Management fee payable to Bank of England	49	–

The Bank met all of the costs of the Company, including staff costs, and recharged them in full to the Company.

The Directors have not received any emoluments in respect of their services to the Company during the year ended 28 February 2022 (2021: £nil).

	2022 (£000)	2021 (£000)
Audit fees:		
Fees relating to current year	30	–

Fees in relation to audit services fees are paid for by the Bank and recharged to the Company through the management fee.

5: Taxation

The tax charged within the income statement is made up as follows:

	2022 (£mn)	2021 (£mn)
Current tax charge – current year	–	–
Current tax charge – prior year	–	–
Deferred tax charge – current year	0.7	–
Deferred tax charge – prior year	–	–
Total income tax charge	**0.7**	**–**

The tax charge within the income statement differs from the amount calculated at the basic rate of tax on the profit for the year as follows:

	2022 (£mn)	2021 (£mn)
Profit before tax	2.2	–
Tax calculated at rate of 19% (2021: 19%)	0.5	–
Difference between current and deferred tax rate	0.2	–
Total tax charge for the period	**0.7**	**–**

The income tax charge for the year was £0.7mn. The Company has elected to disregard unrealised fair value movements on the cross currency interest rate swap to achieve parity of tax treatment between the sukuk asset and the swap. Deferred tax is recognised on the fair value balance of the swap at a rate of 25% as we expect the temporary difference to unwind after 1 April 2023 when the UK corporation tax rate increases from 19% to 25%. The £0.2mn impact of this rate difference is the only reconciling item between profit at statutory tax rate and the total income tax charge.

Deferred tax is calculated on all temporary differences under the liability method using the effective tax rate of 25%.

The movement on the deferred tax account is as follows:

	2022 (£mn)	2021 (£mn)
Deferred tax		
Net liability at 1 March	–	–
Charged to the income statement	(0.7)	–
Charged directly to equity	–	–
Net liability at 28 February	**(0.7)**	**–**

	2022 (£mn)	2021 (£mn)
Deferred tax liability relates to:		
Financial instruments	(0.7)	–
Total	**(0.7)**	**–**

6: Securities held at amortised cost

	2022 (£mn)	2021 (£mn)
Sukuk holdings	74.5	–
Total securities held at amortised cost	**74.5**	**–**

7: Financial instruments

	2022 (£mn)	2021 (£mn)
Foreign exchange derivatives	2.5	–
Total derivatives	**2.5**	**–**

Foreign currency swaps showed a mark-to-market gain of £2.5mn (2021: £nil), attributable to exchange rate related gains.

8: Other assets

	2022 (£mn)	2021 (£mn)
Accrued profits	0.4	–
Total other assets	**0.4**	**–**

As at the year-end the Company had accrued £386,150 in profits attributable to sukuk (2021: £nil).

9: Loans and other borrowings

	2022 (£mn)	2021 (£mn)
Total loan from Bank of England	105.0	–
Third party loans	95.0	–
Total loans and other borrowings	**200.0**	**–**

All loans are non-interest bearing with an effective profit rate accruing on an effective profit rate basis and are repayable on demand.

10: Other liabilities

Other liabilities comprise £49,456 accrued management fee payable to the Bank and £30,000 audit fees relating to the current year.

11: Capital

The Company is a private company limited by shares.

The entire capital comprising of 100 authorised and issued ordinary shares of £1 is held by the Governor and Company of the Bank of England.

12: Cash and cash equivalents

	At 28 February 2022 (£mn)	Cash flow (£mn)	At 28 February 2021 (£mn)
Cash – trading deposits	**124.9**	**124.9**	**–**

13: Contingent liabilities

There were no contingent liabilities as at 28 February 2022 (2021: £nil).

14: Financial risk management

Financial risk management is carried out by the Bank on behalf of the Company.

The governance arrangements to manage and monitor these risks are described in a control framework document (which sets out the controls and procedures for undertaking transactions, monitoring risk, accounting and making payments), reviewed and approved periodically by the Directors.

The Directors seek to ensure that effective risk management processes exist for monitoring and managing liquidity, credit, market and operational risks, within clear risk policies. Specialist teams support senior management in ensuring that agreed standards and policies are followed.

The Bank's Financial Risk Management Division (FRMD) is responsible for analysing the financial risks faced by the Company in its operations in financial markets.

The Bank's Financial Risk and Resilience Division (FRRD) is responsible for challenge of risk decisions and risk management frameworks.

a: Credit risk

Credit risk is the risk of loss arising from the failure of a counterparty or issuer to meet its financial obligations to the Company. Credit risk in the Company's asset portfolio arises from the backing fund purchasing sukuk debt security instruments issued by sovereigns or multilateral development banks and also from entering into swap contracts for hedging purposes with well-rated counterparties. Assets purchased by the Company are required to be HQLA-eligible, strongly investment-grade and listed on a recognised investment-exchange.

Credit exposures are controlled by the Bank's system of limits and monitoring thresholds based on internal credit ratings. Credit assessments are performed periodically on all sukuk issuers, and market counterparties to whom the Company may be exposed by the Bank's Credit Rating Advisory Committee. These are performed both regularly, following a timetable that reflects the risk attached to the Company's investments and swap contracts, and dynamically, in response to market or specific entity conditions.

An internal committee, chaired by the Bank's Head of Financial Risk Management Division, reviews the creditworthiness of issuers and counterparties to whom the Company may have credit exposures. This committee is supported by a credit risk analysis team.

Credit risk on the securities held outright by the Company is managed by holding only securities issued by sovereigns and multilateral development banks internally rated as equivalent to strong investment-grade.

The table below represents an analysis of sukuk by credit risk groupings, based on external rating agency designations at 28 February 2022:

Credit risk groupings

	2022 (£mn)	2021 (£mn)
AAA	74.5	–
Total	**74.5**	**–**

Analysis of average external credit ratings as at 28 February 2022.

Location – geographical concentration of assets

The assets held by the Company are issued by IsDB Trust Services No.2 SARL, a Luxembourg based company and are guaranteed by the Islamic Development Bank, a multilateral development institution.

b: Market risk

Market risk is defined as the risk of losses arising from movements in market prices, which include, but are not limited to, interest rate risk and foreign exchange risk.

The Company is deemed not to be materially exposed to market risk, as profit rate and foreign exchange exposure from its existing sukuk holding is hedged via a swap. Sukuk denominated in a non-sterling currency (eg US$) is hedged using a foreign exchange hedge purchased from one of the Bank's approved counterparties.

Hedges are agreed using ISDA documentation, with approved counterparties and cash margined (where possible).

c: Liquidity risk

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To mitigate operational liquidity risk, the facility maintains a cash buffer and a loan arrangement to cover payments to facility participants in the event of a delayed receipt on the hedging swap, or to cover a payment on the hedging swap in the event of a missed coupon payment on the sukuk.

d: Maturity analysis

Maturities of sukuk as at 28 February 2022 (2021: £nil).

	Note	Up to 1 year (£mn)	1–5 years (£mn)	5–10 years (£mn)	Over 10 years (£mn)	Total (£mn)
Assets						
Sukuk	5	–	–	74.5	–	–
Total assets		**–**	**–**	**74.5**	**–**	**–**

15: Guarantee

For deposits placed by participants in the facility to qualify as HQLA under Basel III and corresponding local regulations, they must constitute a direct claim upon, or be guaranteed by, a central bank. For this reason, the Bank has provided a guarantee for the principal value of deposits placed with the Company but no guarantee will be given in respect of the returns (ie profit rate).

16: Related party transactions

The Company has related party transactions with its shareholder, the Bank of England.

As at 28 February 2022, the Bank had deposited £105mn (2021: £nil) into the Company. The deposit is non-interest bearing with an effective profit rate accruing on an effective profit rate basis.

The Company was charged an administrative fee of £49,456 (2021: £nil) by the Bank.

Key management

The Directors of the Company are considered to be the only key personnel as defined by IAS 24. The Directors have not received any emoluments in respect of their services to the Company during the year ended 28 February 2022 (2021: £nil) or entered into any other transactions with the Company.

17: Ultimate controlling party

The ultimate controlling party of the Company is The Governor and Company of The Bank of England.

18: Preparation of accounts

The accounts were approved by the Board for distribution on 6 July 2022.

Bank of England Alternative Liquidity Facility Limited
8 Lothbury
London EC2R 7HH

Incorporated in England and Wales with limited liability under the UK Companies Act
Company Number: 11728437

Photography
Front cover — © Lee Funnell