

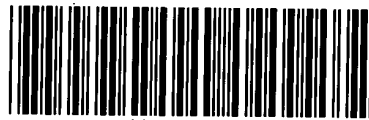
Registered number: 01445905

**BI WORLDWIDE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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**BI WORLDWIDE LIMITED**

**COMPANY INFORMATION**

**Directors**

J B Beegle  
M L Davies  
D P Kunz  
G Schoenecker (ceased 22 November 2016)  
L G Schoenecker

**Registered number**

01445905

**Registered office**

1 Vantage Court  
Newport Pagnell  
Buckinghamshire  
MK16 9EZ

**Independent auditors**

PKF Cooper Parry Group Limited  
Chartered Accountants & Statutory Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

## **BI WORLDWIDE LIMITED**

### **CONTENTS**

	<b>Page</b>
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditors' report</b>	<b>5 - 7</b>
<b>Statement of comprehensive income</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 27</b>

## **BI WORLDWIDE LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017**

#### **Principal activities**

The principal activity of the company is the development of performance improvement programmes and events aimed at positively influencing the behaviour and driving the engagement of employees, sales channels and customers.

#### **Business review**

In 2016/17 the business continued to focus on our core deliverables in Events and Performance Improvement. Revenue from Events grew by 57% to £14.6m, as a result of new client wins and the expansion of our Events Production business. Performance Improvement turnover also increased to £40.6m (a 13% increase on prior year), achieved from both growth of existing clients and new clients. Gross Profit increased by 15% to £16.2m and operating profit (net of exchange differences) increased by 22%.

The directors believe that with the development of new business, combined with investments in developing our thought leadership in behavioural economics and in product development during the year, that we are ideally placed for further growth in the short and medium term.

#### **Principal risks and uncertainties**

The new financial year has started well and we are on track to achieve our goals in the year ahead. The economic environment in which we operate looks to remain positive, although we will continue to monitor this closely given the current economic and business uncertainty as the details of the UK's exit from the EU are worked out. During the past year no bad debts were written off. BI Worldwide Limited continues to work mainly with large blue chip clients and remains in regular dialogue with them to build strong relationships and to monitor their financial health.

The increasingly global nature of our clients and our supply chain creates a greater exposure to foreign exchange fluctuations. We continue to review practices and processes to minimise this risk as much as possible in the year ahead.

## BI WORLDWIDE LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

#### Key performance indicators

The directors established a number of objectives for the business to monitor its progress during the year. Performance against these targets in the year to 30 June 2017, and the new targets set for the year to 30 June 2018 are set out as follows:

1. To grow turnover to £51.2m and deliver Gross Profit of £15.4m.
  - Achieved Turnover of £55.2m, Gross Profit of £16.2m
  - Target for 2018 is to achieve turnover of £55.1m and Gross Profit of £16.4m.
2. To deliver growth in gross profit from new business of £1.4m
  - New business came from both new and existing clients
  - Target for 2018 is to acquire £1.4m in new business from a mixture of new and existing clients
3. To achieve customer satisfaction levels at 9 out of 10 as measured by the company's established CSI (Customer Satisfaction Index) system
  - The average CSI score achieved was 8.5, which is the same as the previous year.
  - Target for 2018 remains to achieve an overall CSI score of 9.0
4. To improve productivity and achieve a measure of £66,000 per FTE
  - GP of £66,000 per FTE was achieved
  - The target for 2018 is to achieve a GP of £66,000 per FTE
5. To improve our score in The Best Companies survey, from last year's score of 682.
  - We achieved a score of 663 in The Best Companies survey.
  - We were also awarded silver accreditation from Investors in People. We will be looking to improve on this, with the aim of achieving gold accreditation by 2019.
  - In 2018, we will focus on the Investors in People Standard

This report was approved by the board and signed on its behalf.



**M L Davies**  
Director

Date: *29th August 2017*

## **BI WORLDWIDE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017**

The directors present their report and the financial statements for the year ended 30 June 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,586,458 (2016: £2,924,480).

The directors do not recommend the payment of a dividend (2016: £Nil)

#### **Directors**

The directors who served during the year were:

J B Beegle  
M L Davies  
D P Kunz  
G Schoenecker (ceased 22 November 2016)  
L G Schoenecker

**BI WORLDWIDE LIMITED**

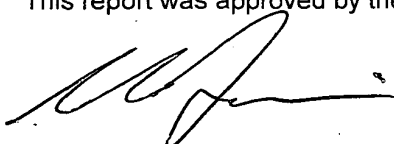
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2017**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.



**M L Davies**  
Director

Date: *29th August 2017*

## **BI WORLDWIDE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BI WORLDWIDE LIMITED**

#### **Opinion**

We have audited the financial statements of BI Worldwide Limited (the 'company') for the year ended 30 June 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **BI WORLDWIDE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BI WORLDWIDE LIMITED (CONTINUED)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the strategic report and directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## BI WORLDWIDE LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BI WORLDWIDE LIMITED (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*PKF Cooper Parry Group Limited*

Peter Sterling (Senior statutory auditor)

for and on behalf of

**PKF Cooper Parry Group Limited**  
Chartered Accountants & Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 30 August 2017

**BI WORLDWIDE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	1,3	55,181,607	45,240,546
Cost of sales		(39,014,806)	(31,132,879)
<b>Gross profit</b>		<u>16,166,801</u>	<u>14,107,667</u>
Administrative expenses		(13,129,885)	(10,574,919)
Other operating income	4	108,588	58,723
<b>Operating profit</b>	5	<u>3,145,504</u>	<u>3,591,471</u>
Interest receivable and similar income		59,873	16,243
Interest payable and expenses		(307)	-
<b>Profit on ordinary activities before taxation</b>		<u>3,205,070</u>	<u>3,607,714</u>
Taxation on profit on ordinary activities	9	(618,612)	(683,234)
<b>Profit for the year</b>		<u><u>2,586,458</u></u>	<u><u>2,924,480</u></u>
<b>Total comprehensive income for the year</b>		<u><u>2,586,458</u></u>	<u><u>2,924,480</u></u>

All amounts relate to continuing operations.


The notes on pages 11 to 27 form part of these financial statements.

**BI WORLDWIDE LIMITED**  
**REGISTERED NUMBER: 01445905**

**BALANCE SHEET**  
**AS AT 30 JUNE 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	10	793,324	554,548
Tangible assets	11	3,849,763	3,932,514
Fixed asset investments	12	112,485	112,485
Investment property	13	1,943,730	1,943,730
		<u>6,699,302</u>	<u>6,543,277</u>
<b>Current assets</b>			
Stocks	14	2,230,201	2,195,093
Debtors: amounts falling due within one year	15	18,613,197	16,680,261
Cash at bank and in hand		17,500,963	17,791,400
		<u>38,344,361</u>	<u>36,666,754</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(31,590,956)</u>	<u>(32,343,782)</u>
<b>Net current assets</b>		6,753,405	4,322,972
<b>Net assets</b>		<u>13,452,707</u>	<u>10,866,249</u>
<b>Capital and reserves</b>			
Called up share capital	17	67,740	67,740
Share premium account	18	121,372	121,372
Revaluation reserve	18	1,233,860	1,233,860
Capital redemption reserve	18	27,500	27,500
Profit and loss account	18	12,002,235	9,415,777
<b>Shareholders' funds</b>		<u>13,452,707</u>	<u>10,866,249</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M L Davies**  
Director

Date: *29th August 2017*

The notes on pages 11 to 27 form part of these financial statements.

**BI WORLDWIDE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 July 2015</b>	<b>67,740</b>	<b>121,372</b>	<b>27,500</b>	<b>1,325,500</b>	<b>6,399,657</b>	<b>7,941,769</b>
Profit for the year	-	-	-	-	2,924,480	2,924,480
Transfer from revaluation reserve	-	-	-	(91,640)	-	(91,640)
Transfer to profit and loss account	-	-	-	-	91,640	91,640
<b>At 1 July 2016</b>	<b>67,740</b>	<b>121,372</b>	<b>27,500</b>	<b>1,233,860</b>	<b>9,415,777</b>	<b>10,866,249</b>
Profit for the year	-	-	-	-	2,586,458	2,586,458
<b>At 30 June 2017</b>	<b>67,740</b>	<b>121,372</b>	<b>27,500</b>	<b>1,233,860</b>	<b>12,002,235</b>	<b>13,452,707</b>

The notes on pages 11 to 27 form part of these financial statements.

## **BI WORLDWIDE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

#### **1. Accounting policies**

BI Worldwide Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

These financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are prepared for the year ended 30 June 2017 (2016: year ended 30 June 2016).

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the financial reporting standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied consistently throughout the year:

##### **1.2 Exemptions**

Under FRS 102 section 1.12, the company has taken advantage of the requirement to prepare a statement of cash flows. Where required, equivalent disclosures are given in the group accounts of BI Worldwide Holdings Limited. The group accounts of BI Worldwide Holdings Limited are available to the public and can be obtained from the address set out in note 20.

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available in relation to related party transactions with group members and remuneration of key management.

##### **1.3 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of BI Worldwide Holdings Limited, and is included in the consolidated accounts of that company.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. Accounting policies (continued)

##### 1.4 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and that the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover on performance improvement programmes is recognised across the period of the campaign in line with agreed milestones being achieved. Where performance improvement programmes include the award of points, the fair value of the points is deferred as a liability and recognised as revenue on the redemption of the points by the participants to whom the points were issued. The cost of providing redemption services is recognised when the points are redeemed.

Turnover on the sale of goods and vouchers is recognised when the significant risks and rewards of ownership of the goods and vouchers have passed to the buyer, usually on dispatch of the goods and vouchers.

Turnover and the attributable profit on events are recognised based on the stage of completion of the event.

Deferred income represents the fair value of points awarded to participants that have not yet been redeemed. Change in deferred income is calculated as the difference between the amounts billed less revenue recognised on the redemption of points and recognition of 'breakage', as defined below.

Breakage represents management's best estimate of the proportion of points issued to participants, and paid for, that will not be redeemed. The fair value of breakage points is recognised as revenue over the life of the programmes in proportion to actual redemption activity.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. Accounting policies (continued)

##### 1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised to the statement of comprehensive income account over its estimated useful economic life as determined by the directors. Goodwill is amortised over the estimated useful economic life of each individual component of the goodwill.

The company establishes a reliable estimate of the useful life of goodwill based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may be impaired.

Intangible fixed assets purchased separately from a business are capitalised at their cost and are amortised over their estimated useful life of five years in equal instalments. Intangible assets are reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may be impaired.

Development expenditure is valued at cost less amortisation. Amortisation is provided at rates to write off the cost over its useful economic life.

##### 1.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Professional advice is taken where deemed necessary. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.



## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. Accounting policies (continued)

##### 1.7 Tangible fixed assets

Tangible fixed assets under the historical cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings held and used by the company are stated in the balance sheet at their deemed cost under FRS 102 following a professional valuation as at 1 July 2015.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is provided at the rates calculated to write off the costs of fixed assets, less their residual value over their expected useful lives on the following basis:

Freehold property	-	4% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	5% - 20% straight line
Computer equipment	-	20% - 33% straight line
Computer software	-	20% straight line

Depreciation is not charged on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense immediately.

##### 1.8 Investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the statement of comprehensive income and the value of the investment is reduced accordingly.

##### 1.9 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. Accounting policies (continued)

##### 1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items, based on historical experience of utilisation on a category-by-category basis.

The cost of goods for resale is based upon purchased cost on a first-in, first-out basis.

Cost of work in progress and finished goods is based on the cost of direct materials and labour plus attributable overheads based on a normal level of activity, on a first-in, first-out basis. Work in progress represents the cost of developing platforms for specific customers and is released to the statement of comprehensive income over the life of the customer campaign.

Net realisable value is the estimated selling price less all further costs to complete and all costs to be incurred.

##### 1.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as trade and other debtors and creditors, and loans from and to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### 1.12 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 1.13 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. Accounting policies (continued)

##### 1.14 Foreign Currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

##### 1.15 Provisions

Provisions are made where an event has taken place that gives the company a legal obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of those obligations.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking in to account relevant risks and uncertainties. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

When payments are made they are charged against the provision carried in the balance sheet.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

##### **Impairment of fixed assets**

The directors assess the impairment of tangible fixed assets and intangible assets subject to depreciation or amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

##### **Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

##### **Impairment of investments and other assets**

The directors review the carrying value of all other assets for indicators of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

##### **Carrying value of stocks and work in progress**

The directors review the value of and demand for its stocks and work in progress on a periodic basis to ensure stock and work in progress is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experience and estimates of future events to assess future demand for the company's products and achievable selling prices.

##### **Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of comprehensive income.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 2. Judgements in applying accounting policies (continued)

##### Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

##### Leases

The directors determine whether leases entered into by the company are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

##### Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Performance improvement, merchandise, and vouchers	40,565,803	35,957,520
Event management	14,615,804	9,283,026
	<u>55,181,607</u>	<u>45,240,546</u>

The directors do not feel it would be beneficial to the users of the financial statements to disclose turnover by geographical location as there is no difference in risk and reward in the different geographical locations in which the company operates.

#### 4. Other operating income

	2017 £	2016 £
Rents receivable	<u>108,588</u>	<u>58,723</u>

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	490,213	420,016
Amortisation of intangible assets, including goodwill	121,037	82,423
Exchange differences	248,657	(819,313)
Operating lease rentals	3,851	3,821
	<u>490,213</u>	<u>420,016</u>

**6. Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	29,000	29,000
Fees payable to the company's auditor in respect of other services	2,750	2,750
Fees payable to the company's auditor in respect of other services relating to taxation	11,300	11,300
	<u>43,050</u>	<u>43,050</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,906,257	7,901,910
Social security costs	1,012,713	888,830
Pension costs	219,844	190,730
	<u>10,138,814</u>	<u>8,981,470</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Performance improvement	95	93
Other activities and central function	89	73
Events	41	34
Sales	21	17
	<u>246</u>	<u>217</u>

BI WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	474,320	235,334
Company pension contributions to defined contribution pension schemes	11,288	20,800

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £474,320 (2016: £235,334).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,288 (2016: £20,800).

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**9. Taxation**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>UK corporation tax</b>		
Current tax on profits for the year	627,023	685,282
Adjustments in respect of previous periods	(8,411)	(2,048)
<b>Total current tax</b>	<u>618,612</u>	<u>683,234</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below:

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Profit on ordinary activities before tax	<u>3,205,070</u>	<u>3,607,714</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016: 20%)	633,023	721,543
<b>Effects of:</b>		
Expences not deductible for tax purposes	2,558	2,437
Deferred tax not recognised	(11,927)	(30,693)
Fixed assets differences	22,597	20,590
Adjustments to tax charge in respect of prior periods	(8,411)	(2,048)
Group relief claimed	(19,228)	(28,595)
<b>Total tax charge for the year</b>	<u>618,612</u>	<u>683,234</u>

**Factors that may affect future tax charges**

A deferred tax asset has not been recognised in respect of accelerated capital allowances. The amount not recognised is £48,000 (2016: £66,000).



BI WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

10. Intangible assets

	Development expenditure £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2016	794,046	73,940	867,986
Additions	567,823	-	567,823
Transfer to group companies	(208,010)	-	(208,010)
At 30 June 2017	1,153,859	73,940	1,227,799
<b>Amortisation</b>			
At 1 July 2016	239,498	73,940	313,438
Charge for the year	121,037	-	121,037
At 30 June 2017	360,535	73,940	434,475
<b>Net book value</b>			
At 30 June 2017	793,324	-	793,324
At 30 June 2016	554,548	-	554,548

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**11. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Computer software £	Total £
<b>Cost</b>						
At 1 July 2016	2,591,000	22,337	929,313	1,594,942	164,305	5,301,897
Additions	-	-	77,729	260,264	69,469	407,462
At 30 June 2017	<u>2,591,000</u>	<u>22,337</u>	<u>1,007,042</u>	<u>1,855,206</u>	<u>233,774</u>	<u>5,709,359</u>
<b>Depreciation</b>						
At 1 July 2016	91,640	14,458	207,240	990,323	65,722	1,369,383
Charge for the year	91,640	5,584	103,589	158,288	131,112	490,213
At 30 June 2017	<u>183,280</u>	<u>20,042</u>	<u>310,829</u>	<u>1,148,611</u>	<u>196,834</u>	<u>1,859,596</u>
<b>Net book value</b>						
At 30 June 2017	<u>2,407,720</u>	<u>2,295</u>	<u>696,213</u>	<u>706,595</u>	<u>36,940</u>	<u>3,849,763</u>
At 30 June 2016	<u>2,499,360</u>	<u>7,879</u>	<u>722,073</u>	<u>604,619</u>	<u>98,583</u>	<u>3,932,514</u>

Included in land and buildings is freehold land at valuation of £300,000 (2016: £300,000) which is not depreciated.

# BI WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 12. Fixed asset investments

Investments  
in  
subsidiary  
companies  
£

#### Cost and net book value

At 1 July and 30 June 2017

112,485

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Motivation Strategy Limited	Ordinary	100 %	Dormant
Awardperqs Limited	Ordinary	100 %	Dormant
Creative Event Management Limited	Ordinary	100 %	Dormant
Successcard Limited	Ordinary	100 %	Dormant
Chequercard Limited	Ordinary	100 %	Dormant
The marketing Organisation Limited	Ordinary	100 %	Dormant
The Travel Organisation Limited	Ordinary	100 %	Dormant
TMO Limited	Ordinary	100 %	Dormant
Eventrak Limited	Ordinary	100 %	Dormant
Black & White Consulting Ltd	Ordinary	100 %	Prepaid card services

The registered office of all subsidiaries is the same as the registered office of BI Worldwide Limited. All subsidiaries are incorporated in the United Kingdom.

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**13. Investment property**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 July 2016 and 30 June 2017

1,943,730

The investment property was acquired during the previous financial period. The directors do not believe that the current open market value differs materially from the purchase price paid.

**14. Stocks**

	2017 £	2016 £
Store vouchers	1,024,003	937,506
Work in progress	1,206,198	1,257,587
	<u>2,230,201</u>	<u>2,195,093</u>

Stock recognised in cost of sales during the year as an expense was £6,562,752 (2016: £7,520,795).

**15. Debtors**

	2017 £	2016 £
Trade debtors	8,313,805	7,184,339
Amounts owed by group undertakings	8,443,628	8,340,832
Other debtors	123,798	83,247
Prepayments and accrued income	1,731,966	1,071,843
	<u>18,613,197</u>	<u>16,680,261</u>

Amounts owed by group undertakings are not secured, do not attract interest and are repayable on demand.

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**16. Creditors: Amounts falling due within one year**

	<b>2017 £</b>	<b>2016 £</b>
Payments received on account	1,741,247	1,332,088
Trade creditors	4,232,190	3,515,938
Amounts owed to group undertakings	517,191	194,290
Corporation tax	298,532	352,986
Other taxation and social security	42,363	487,835
Other creditors	142,223	164,778
Accruals and deferred income	24,617,210	26,295,867
	<u>31,590,956</u>	<u>32,343,782</u>

Amounts owed to group undertakings are not secured, do not attract interest and are repayable on demand.

**17. Share capital**

	<b>2017 £</b>	<b>2016 £</b>
<b>Allotted, called up and fully paid</b>		
677,398 Ordinary shares of £0.10 each	<u>67,740</u>	<u>67,740</u>

**18. Reserves**

**Share premium account**

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Revaluation reserve**

The revaluation reserve includes amounts revalued in relation to freehold property.

**Capital redemption reserve**

The capital redemption reserve represents the nominated amount of the preference shares redeemed in full on 1 July 1999.

**Profit and loss account**

The profit and loss account represents all current and prior period retained profit and losses.

## BI WORLDWIDE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 19. Commitments under operating leases

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	4,545	4,545
Later than 1 year and not later than 5 years	3,409	7,954
	<u>7,954</u>	<u>12,500</u>

#### 20. Ultimate parent undertaking and controlling party

The company's ultimate holding company, and largest group of undertakings for which group financial statements have been drawn up is Schoeneckers Inc, a company incorporated in the United States of America. The UK holding company and smallest group of undertakings for which group financial statements have been drawn up is BI Worldwide Holdings Limited, which is also the controlling party. The financial statements can be obtained from BI Worldwide Holdings Limited, 1 Vantage Court, Newport Pagnell, MK16 9EZ.