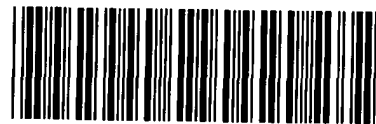


**BI WORLDWIDE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**BI WORLDWIDE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J B Beegle M L Davies D P Kunz L G Schoenecker N Urquhart
<b>Registered number</b>	01445905
<b>Registered office</b>	1 Vantage Court Newport Pagnell Bucks MK16 9EZ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

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**BI WORLDWIDE LIMITED**

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## BI WORLDWIDE LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

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#### 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 2018/19 the business continued to focus on our core deliverables in Employee Engagement, Events and Performance Improvement.

- Top line sales revenue increased slightly by 0.07% to £53.1m from £53.0m in the previous year.
- Operating profit was down 26.5% at £3.0m from £4.0m the prior year. This fall was less than expected as 2018 included a one-off benefit that the Directors knew would not re-occur in 2019. Underlying like for like performance showed a modest increase against the previous year and a 16% improvement on budget. This was due to a prudent approach to expenditure and significant cost savings made in the year.

Overall the performance in the year was pleasing and broadly in line with budgets set at the start of the year.

The Directors believe that our continued thought leadership in behavioural economics and new product development provides opportunity for growth in the medium and long term.

#### Principal risks and uncertainties

The company's activities expose it to a number of financial risks including exchange rate risk and credit risk. The measures in place and associated considerations are set out below:

The company's credit risk is primarily attributable to its trade debtors. The company seeks to minimise exposure on trade debtors by issuing regular invoices and enforcing credit terms. During the past year the company was not exposed to any bad debts. 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 credit risk of cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

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, including holding cash resources in currency.

Brexit continues to cause uncertainty amongst our clients and we have seen a slow down in clients investing in technology. We expect this to continue into 2020 so have made very modest forecasts for business in the short term.

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## BI WORLDWIDE LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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#### 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 2019, and the new targets for the year to 30 June 2020 are set out as follows:

1. To achieve turnover of £54.9m and deliver Gross Profit of £15.5m.
  - Achieved Turnover of £53.1m, Gross Profit of £15.3m.
  - Target for 2020 is a growth in turnover to £55.0m and Gross Profit of £16.5m.
2. To deliver growth in gross profit from new business of £1.0m
  - Growth came from a number of new and existing clients, although some other clients declined during the year.
  - Target for 2020 is to acquire £1.0m in new business from a mixture of new and existing clients.
3. To improve productivity and achieve a measure of £66,000 per FTE
  - GP of £71k per FTE was achieved
  - The target for 2020 is to achieve a GP of £75k per FTE
4. To focus on the Investors in People Standard
  - In 2017 we were awarded silver accreditation from Investors in People.
  - We will be looking to improve on this, with the aim of achieving gold accreditation by 2020.

This report was approved by the board on *20th August 2019* and signed on its behalf.



**M L Davies**  
Director

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## BI WORLDWIDE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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The directors present their report and the financial statements for the year ended 30 June 2019.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,523,258 (2018 - £3,398,812).

The directors do not recommend the payment of a dividend (2018: Nil).

#### Directors

The directors who served during the year were:

J B Beegle  
M L Davies  
D P Kunz  
L G Schoenecker  
N Urquhart

#### 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's financial statements and then apply them consistently;
- make judgments 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.

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

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**BI WORLDWIDE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

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**Future developments**

The Directors believe that our continued thought leadership in behavioural economics and new product development provides opportunity for growth in the medium and long term.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Disclosure of information to auditor**

The directors confirm that:

- so far as the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *20th August 2019* and signed on its behalf.



**M L Davies**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BI WORLDWIDE LIMITED

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### Opinion

We have audited the financial statements of BI Worldwide Limited (the 'company') for the year ended 30 June 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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.





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

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. 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.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the 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.

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

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, 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.



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

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### Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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.

### 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.

A further description of our 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 our Auditor's report.

### Use of our report

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.



Paul Brown  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
Date: 20 August 2019

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**BI WORLDWIDE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

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	Note	2019 £	2018 £
Turnover		53,091,492	53,022,129
Cost of sales		(37,751,906)	(35,691,538)
<b>Gross profit</b>		<b>15,339,586</b>	<b>17,330,591</b>
Administrative expenses		(12,645,481)	(13,519,908)
Other operating income	5	271,527	224,585
<b>Operating profit</b>	6	<b>2,965,632</b>	<b>4,035,268</b>
Interest receivable and similar income	10	163,175	136,376
<b>Profit before tax</b>		<b>3,128,807</b>	<b>4,171,644</b>
Tax on profit	11	(605,549)	(772,832)
<b>Profit for the financial year</b>		<b>2,523,258</b>	<b>3,398,812</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 30 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	12	607,559	598,876
Tangible assets	13	2,955,559	3,376,511
Investments	14	112,473	112,473
Investment property	15	1,943,730	1,943,730
		<u>5,619,321</u>	<u>6,031,590</u>
<b>Current assets</b>			
Stocks	16	2,461,147	2,327,195
Debtors: amounts falling due within one year	17	17,478,137	21,634,184
Cash at bank and in hand	18	9,794,768	3,819,398
		<u>29,734,052</u>	<u>27,780,777</u>
Creditors: amounts falling due within one year	19	(15,978,596)	(16,960,848)
<b>Net current assets</b>		<u>13,755,456</u>	<u>10,819,929</u>
<b>Total assets less current liabilities</b>		<u>19,374,777</u>	<u>16,851,519</u>
<b>Net assets</b>		<u><u>19,374,777</u></u>	<u><u>16,851,519</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	67,740	67,740
Share premium account	22	121,372	121,372
Revaluation reserve	22	1,233,860	1,233,860
Capital redemption reserve	22	27,500	27,500
Profit and loss account	22	17,924,305	15,401,047
		<u>19,374,777</u>	<u>16,851,519</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
20 AUGUST 2019



**N Urquhart**  
Director

The notes on pages 11 to 30 form part of these financial statements.

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**BI WORLDWIDE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

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	Share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2018	67,740	121,372	27,500	1,233,860	15,401,047	16,851,519
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	2,523,258	2,523,258
<b>Total comprehensive income for the year</b>	-	-	-	-	2,523,258	2,523,258
<b>At 30 June 2019</b>	<b>67,740</b>	<b>121,372</b>	<b>27,500</b>	<b>1,233,860</b>	<b>17,924,305</b>	<b>19,374,777</b>

The notes on pages 11 to 30 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

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	Share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2017	67,740	121,372	27,500	1,233,860	12,002,235	13,452,707
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	3,398,812	3,398,812
<b>Total comprehensive income for the year</b>	-	-	-	-	3,398,812	3,398,812
<b>At 30 June 2018</b>	<b>67,740</b>	<b>121,372</b>	<b>27,500</b>	<b>1,233,860</b>	<b>15,401,047</b>	<b>16,851,519</b>

The notes on pages 11 to 30 form part of these financial statements.

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## BI WORLDWIDE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 1. General information

BI Worldwide Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 1 Vantage Court, Newport Pagnell, Bucks, MK16 9EZ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BI Worldwide Holdings Ltd as at 30 June 2019 and these financial statements may be obtained from 1 Vantage Court, Newport Pagnell, MK16 9EZ.

##### 2.3 Going concern

The financial statements are prepared on a going concern basis. The directors believe this to be appropriate based on the forecasts and profitability of the company and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 2.4 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and 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; and
- 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.

Revenue 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 participants to whom the points were issued. The cost of providing redemption services is recognised when the points are redeemed.

Revenue 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.

Revenue and the attributable profit on events are recognised based on 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.

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## BI WORLDWIDE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure capitalised is amortised over a period of 3-5 years.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

No depreciation is provided on freehold property 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 in the Statement of comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**2. Accounting policies (continued)**

**2.8 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.9 Investment property**

Investment property is carried at fair value determined annually by external valuers 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. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## BI WORLDWIDE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## BI WORLDWIDE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 2. Accounting policies (continued)

##### 2.16 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is GBP.

###### Transactions and balances

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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

##### 2.17 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.18 Pensions

###### Defined contribution pension plan

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 payment 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.19 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

**2.20 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.21 Provisions for liabilities**

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

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 Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.22 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**3. 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.

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## BI WORLDWIDE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 3. Judgments in applying accounting policies (continued)

##### **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.

##### **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 statement of financial position.

##### **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.

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**4. Turnover**

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

	2019 £	2018 £
Performance improvement, merchandise, and vouchers	41,166,128	39,596,092
Event management	11,925,364	13,426,037
	<u>53,091,492</u>	<u>53,022,129</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	27,243,107	32,091,665
United States of America	19,837,503	15,073,390
Rest of the world	6,010,882	5,857,074
	<u>53,091,492</u>	<u>53,022,129</u>

**5. Other operating income**

	2019 £	2018 £
Other operating income	151,195	109,585
Rents receivable	120,332	115,000
	<u>271,527</u>	<u>224,585</u>

**6. Operating profit**

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

	2019 £	2018 £
Depreciation of tangible fixed assets	458,833	664,305
Amortisation of intangible assets, including goodwill	567,720	550,356
Exchange differences	220	16,383
Operating lease rentals	113,034	118,178
	<u></u>	<u></u>

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**7. Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<b>30,300</b>	<b>28,000</b>
Fees payable to the Company's auditor in respect of other services	<b>2,500</b>	<b>2,805</b>
Fees payable to the Company's auditor in respect of other services relating to taxation	<b>11,550</b>	<b>7,100</b>
	<u><b>11,550</b></u>	<u><b>7,100</b></u>

**8. Employees**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>8,312,773</b>	<b>9,107,137</b>
Social security costs	<b>976,524</b>	<b>1,036,111</b>
Pension costs	<b>283,111</b>	<b>241,983</b>
	<u><b>9,572,408</b></u>	<u><b>10,385,231</b></u>

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Performance improvement	<b>91</b>	<b>78</b>
Other activities and central function	<b>77</b>	<b>98</b>
Events	<b>33</b>	<b>36</b>
Sales	<b>16</b>	<b>18</b>
	<u><b>217</b></u>	<u><b>230</b></u>



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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**9. Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>659,035</b>	<b>738,607</b>
Company contributions to defined contribution pension schemes	<b>22,230</b>	<b>21,744</b>
	<b>681,265</b>	<b>760,351</b>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £375,428 (2018 - £461,970).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,340 (2018 - £12,048).

There is no difference between the remuneration paid to key management personnel and the amounts disclosed in the directors remuneration above other than employers national insurance totalling £90,217 (2018: £72,920) which was incurred during the year in addition to the above directors remuneration disclosed.

**10. Interest receivable**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<b>163,175</b>	<b>136,376</b>

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**11. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	670,645	812,622
Adjustments in respect of previous periods	(8,916)	(13,944)
<b>Total current tax</b>	<u>661,729</u>	<u>798,678</u>
Origination and reversal of timing differences	(59,120)	(25,846)
Adjustments in respect of previous periods	2,940	-
<b>Total deferred tax</b>	<u>(56,180)</u>	<u>(25,846)</u>
<b>Taxation on profit on ordinary activities</b>	<u>605,549</u>	<u>772,832</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>3,128,807</u>	<u>4,171,644</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	594,473	792,612
<b>Effects of:</b>		
Expenses not deductible for tax purposes	525	2,310
Capital allowances for year in excess of depreciation	-	7,502
Fixed assets differences	17,412	17,412
Adjustments to tax charge in respect of prior periods	(8,916)	(13,944)
Adjust deferred tax to closing rate of 19%	6,956	3,924
Group relief claimed	(7,841)	(36,984)
Adjustments to tax charge in respect of prior periods - deferred tax	2,940	-
<b>Total tax charge for the year</b>	<u>605,549</u>	<u>772,832</u>

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

The tax rate will reduce to 17% from 1 April 2020. This change has been substantively enacted at the balance sheet date. Temporary differences have been measured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

**12. Intangible assets**

	<b>Development expenditure £</b>
<b>Cost</b>	
At 1 July 2018	<b>1,509,766</b>
Additions	<b>576,403</b>
At 30 June 2019	<b>2,086,169</b>
<b>Amortisation</b>	
At 1 July 2018	<b>910,890</b>
Charge for the year	<b>567,720</b>
At 30 June 2019	<b>1,478,610</b>
<b>Net book value</b>	
At 30 June 2019	<b>607,559</b>
At 30 June 2018	<b>598,876</b>

**BI WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**13. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Computer software £	Total £
<b>Cost or valuation</b>						
At 1 July 2018	2,591,000	22,337	1,018,073	2,011,262	237,740	5,880,412
Additions	-	-	-	37,881	-	37,881
At 30 June 2019	2,591,000	22,337	1,018,073	2,049,143	237,740	5,918,293
<b>Depreciation</b>						
At 1 July 2018	274,920	22,337	421,623	1,581,201	203,820	2,503,901
Charge for the year	91,640	-	102,754	243,807	20,632	458,833
At 30 June 2019	366,560	22,337	524,377	1,825,008	224,452	2,962,734
<b>Net book value</b>						
At 30 June 2019	2,224,440	-	493,696	224,135	13,288	2,955,559
At 30 June 2018	2,316,080	-	596,450	430,061	33,920	3,376,511

Included in land and buildings is freehold land at valuation of £300,000 (2018: £300,000) which is not depreciated.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2019 £	2018 £
Cost	2,391,559	2,391,559
Accumulated depreciation	(2,091,559)	(2,091,559)
<b>Net book value</b>	<b>300,000</b>	<b>300,000</b>

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**14. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 July 2018	112,473
At 30 June 2019	<u>112,473</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Motivation Strategy Limited	Dormant	Ordinary	100%
Awardperqs Limited	Dormant	Ordinary	100%
Creative Event Management Limited	Dormant	Ordinary	100%
Black & White Consulting Limited	Prepaid card services	Ordinary	100%

**15. Investment property**

	Freehold investment property £
<b>Valuation</b>	
At 1 July 2018	1,943,730
At 30 June 2019	<u>1,943,730</u>

The investment property was acquired in December 2015 and subsequently professionally valued by Stimpsons Eves in May 2019. Based on this valuation the directors do not believe that the current open market value differs materially from the purchase price paid and therefore no such adjustment made to its carrying value.

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**16. Stocks**

	2019 £	2018 £
Store vouchers	984,819	1,054,381
Work in progress	1,476,328	1,272,814
	<u>2,461,147</u>	<u>2,327,195</u>

Stock recognised in cost of sales during the year as an expense was £6,648,496 (2018: £8,247,955).

**17. Debtors**

	2019 £	2018 £
Trade debtors	3,241,813	6,153,460
Amounts owed by group undertakings	10,804,450	12,096,259
Other debtors	130,787	124,873
Prepayments and accrued income	3,219,061	3,233,746
Deferred taxation	82,026	25,846
	<u>17,478,137</u>	<u>21,634,184</u>

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

**18. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>9,794,768</u>	<u>3,819,398</u>

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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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

	2019 £	2018 £
Payments received on account	1,625,031	2,501,361
Trade creditors	1,605,050	1,963,704
Amounts owed to group undertakings	67,395	92,994
Corporation tax	369,123	472,213
Other taxation and social security	330,419	358,531
Other creditors	241,399	130,036
Accruals and deferred income	11,740,179	11,442,009
	<u>15,978,596</u>	<u>16,960,848</u>

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

**20. Deferred taxation**

	2019 £
At beginning of year	25,846
Charged to profit or loss	56,180
<b>At end of year</b>	<u><b>82,026</b></u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	5,687	(19,832)
Short term timing differences	76,339	45,678
	<u>82,026</u>	<u>25,846</u>

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BI WORLDWIDE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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21. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
677,400 (2018 - 677,400) Ordinary shares of £0.10 each	<u>67,740</u>	<u>67,740</u>

22. 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 all current and prior period retained profit and losses.

**Share capital**

Share capital is the sum of the nominal value of all shares issued.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £283,111 (2018: £245,077). Contributions totalling £57,391 (2018: £48,334) were payable to the fund at the balance sheet date and are included in creditors.



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**BI WORLDWIDE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**24. Commitments under operating leases**

At 30 June 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	86,237	86,149
Later than 1 year and not later than 5 years	-	82,740
	<u>86,237</u>	<u>86,149</u>

**25. Ultimate parent undertaking controlling party**

The company's ultimate parent and controlling party, 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 immediate parent undertaking. The financial statements of BI Worldwide Holdings Limited can be obtained from BI Worldwide Holdings Limited, 1 Vantage Court, Newport Pagnell, MK16 9EZ.