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THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Samantha Laycock Kamljit Chana (resigned 5 June 2017) Zahid Hussain Stephen McBrearty David Roffey Christina Rowe Charles Royden Mark Thompson John Yatchisin Deborah Page (appointed 17 October 2016) Mark Short (appointed 17 October 2016, resigned 22 February 2017) Margaret Butland (appointed 17 October 2016) Robert Bartlett (appointed 17 October 2016, resigned 6 September 2017) Gareth Ecott (appointed 17 October 2016) Michelle Kristina Scott (resigned 8 July 2016) Michael Green (resigned 30 January 2017) |
| Company secretary | Victoria Panther |
| Registered number | 05392520 |
| Registered office | 1 Lurke Street Bedford MK40 3TN |
| Accountants | MHA MacIntyre Hudson Chartered Accountants Equipoise House Grove Place Bedford MK40 3LE |

THE BEDFORDBID COMPANY LIMITED
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THE BEDFORDBID COMPANY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of the company during the year was the initiation and promotion of a Business Improvement District (BID).

Directors commentary

The company's financial statements are prepared to accounting standards but operate on a cash basis. Unfortunately it is no longer possible to use the surplus/deficit terminology on the profit and loss account under the new FRS 102 accounting standard. This is now shown as 'profit' but the company views the results as a surplus/deficit that is carried over for use in the following year.

The town centre vouchers are separated so that the Turnover only shows money that can be used for other BID projects and is not reserved to be spent on voucher redemption. There is a net deficit on vouchers because not all vouchers generate income. In 2016-17 £6,865 of vouchers were used for promotional purposes i.e. competitions, 850th Anniversary of the granting of the Charter to Bedford and Harpur Trust 450th Anniversary, 2016 River Festival and Christmas direct marketing, plus cost of discounts/bulk purchases was approx. £4,898.

Until recently such discounts are covered by non-redemptions, but with the scheme becoming wider known and more popular, the voucher redemptions no longer cover it. Additionally, internal processes are better scrutinised and BedfordBID no longer honour out of date vouchers. There is a spending deadline for all vouchers issued which businesses are informed about, and customers made aware of as the date stamped on the reverse of all vouchers. There are also some minimal costs involved for printing (administration is included into staff roles) of the vouchers, so voucher costs are now budgeted.

The financial statements only recognise levies as they are received and do not recognise levies that have not yet been collected.

When considering the amount of cash at bank and in hand, it is important to recognise the following:

- The final levy payment from Bedford Borough Council in the year of £110k was late and did not arrive until late March. Therefore expenditure that would be funded by this receipt was delayed. We categorically do not and cannot spend money until received and the timing of levy payments impacts directly on the apparent surplus being reported.
- Approx. £130k was ring-fenced for planned expenditure, which includes the standard minimum 'operating surplus' of c£50k.
- Additionally, vouchers not yet redeemed are around £30k so provision must be made for the event that all vouchers are redeemed

The surplus at end of year for additional known costs for projects but invoices not yet received plus costs to tie over the projects and running of BedfordBID until the first annual payment of levies from the Council is paid, typically not until June.

THE BEDFORDBID COMPANY LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Full on costs are included in the note for remuneration paid to the executive director as is also shown in the management salaries under "direct wages". Bluecap allocation is attributed to the respective projects, not as direct wages. The legal and professional costs are in relation to the replacement of the Peninsula HR contract and a timing difference in the amount paid.

Despite the challenges of the late payment of the levies and apart from the timing issue, overall it should be noted that a programme of projects have been delivered resulting in increases in performance including foot flow, membership and redemptions of the voucher scheme, Retail RadioLink & Exclusion Scheme and website visits etc. Overheads have also stabilised with the increase resulting in the renewal of First Aid training courses required. The focus on costs towards the BID's projects i.e. marketing and promotion / Love Bedford continues to reflect the change of emphasis which is to attract visitors to the town. The difference in the Improving the Visitor Experience is again a timing issue as a result of the delayed payment of Taxi Marshals.

Directors

The directors who served during the year were:

Samantha Laycock
Kamljit Chana (resigned 5 June 2017)
Zahid Hussain
Stephen McBrearty
David Roffey
Christina Rowe
Charles Royden
Mark Thompson
John Yatchisin
Deborah Page (appointed 17 October 2016)
Mark Short (appointed 17 October 2016, resigned 22 February 2017)
Margaret Butland (appointed 17 October 2016)
Robert Bartlett (appointed 17 October 2016, resigned 6 September 2017)
Gareth Ecott (appointed 17 October 2016)
Michelle Kristina Scott (resigned 8 July 2016)
Michael Green (resigned 30 January 2017)

THE BEDFORDBID COMPANY LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Directors attendance

Attendance during the year at meetings of the Board of Directors was as follows:

| | Meetings attended | Out of a possible |
|--|------------------------------|------------------------------|
| Samantha Laycock | 7 | 7 |
| Kamljit Chana | 5 | 7 |
| Zahid Hussain | 7 | 7 |
| Stephen McBrearty | 6 | 7 |
| David Roffey | 7 | 7 |
| Christina Rowe | 7 | 7 |
| Charles Royden | 6 | 7 |
| Mark Thompson | 6 | 7 |
| John Yatchisin | 7 | 7 |
| Deborah Page (from 17 October 2016) | 3 | 3 |
| Mark Short (from 17 October 2016) | 1 | 3 |
| Margaret Butland (from 17 October 2016) | 3 | 3 |
| Robert Bartlett (from 17 October 2016) | 2 | 3 |
| Gareth Ecott (from 17 October 2016) | 3 | 3 |
| Michelle Kristina Scott (to 8 July 2016) | 0 | 3 |
| Michael Green (to 31 January 2017) | 4 | 7 |

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

.....
Victoria Panther
Company Secretary

Date:

THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE BEDFORDBID COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The BedfordBID Company Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of The BedfordBID Company Limited, as a body, in accordance with the terms of our engagement letter dated 19 August 2015. Our work has been undertaken solely to prepare for your approval the financial statements of The BedfordBID Company Limited and state those matters that we have agreed to state to the Board of Directors of The BedfordBID Company Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The BedfordBID Company Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The BedfordBID Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of The BedfordBID Company Limited. You consider that The BedfordBID Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of The BedfordBID Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

MHA MacIntyre Hudson
Chartered Accountants
Equipoise House
Grove Place
Bedford
MK40 3LE

Date:

THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

| | 2017 £ | 2016 £ |
|--|---------------|-----------|
| Turnover | 453,185 | 452,391 |
| Cost of sales | (364,433) | (385,367) |
| Gross profit | 88,752 | 67,024 |
| Administrative expenses | (48,065) | (46,659) |
| Operating profit | 40,687 | 20,365 |
| Interest receivable and similar income | 158 | 482 |
| Profit before tax | 40,845 | 20,847 |
| Tax on profit | - | - |
| Profit for the financial year | 40,845 | 20,847 |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 11 form part of these financial statements.

THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER:05392520

BALANCE SHEET
AS AT 31 MARCH 2017

| | Note | 2017 £ | 2016 £ |
|--|------|----------------|----------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 4 | 5,018 | 23,358 |
| Cash at bank and in hand | 5 | 270,593 | 186,211 |
| | | <u>275,611</u> | <u>209,569</u> |
| Creditors: amounts falling due within one year | 6 | (62,185) | (36,988) |
| Net current assets | | <u>213,426</u> | <u>172,581</u> |
| Total assets less current liabilities | | <u>213,426</u> | <u>172,581</u> |
| Deferred government grants | 7 | (1,330) | (1,330) |
| Net assets excluding pension asset | | <u>212,096</u> | <u>171,251</u> |
| Capital and reserves | | | |
| Income and expenditure account | | <u>212,096</u> | <u>171,251</u> |
| | | <u>212,096</u> | <u>171,251</u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

.....
Samantha Laycock
 Director

Date:

The notes on pages 8 to 11 form part of these financial statements.

THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

| | Profit and loss account £ | Total equity £ |
|--|---------------------------------|-------------------|
| At 1 April 2015 | 150,404 | 150,404 |
| Profit for the year | 20,847 | 20,847 |
| Total comprehensive income for the year | 20,847 | 20,847 |
| At 1 April 2016 | 171,251 | 171,251 |
| Profit for the year | 40,845 | 40,845 |
| Total comprehensive income for the year | 40,845 | 40,845 |
| At 31 March 2017 | 212,096 | 212,096 |

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THE BEDFORDBID COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The BedfordBID Company Limited is a company limited by guarantee, incorporated in England and Wales.

The registered office address is 1 Lurke Street, Bedford, MK40 3TN.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents monies remitted (excluding value added tax) by Bedford Borough Council in respect of BID levies collected and monies due from other BID activities during the year.

2.3 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.

2.4 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.

2.5 Financial instruments

The Company only enters into basic financial instruments 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 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.

THE BEDFORDBID COMPANY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.6 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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Specifically, the company received grants under the Portas Pilot Scheme. The amounts received are recognised within turnover as the corresponding expenditure is incurred. Any amounts received in excess of expenditure is treated as deferred income at the balance sheet date.

2.8 Bedford Town Centre Gift Voucher Scheme

The company operates the Bedford Town Centre Gift Voucher scheme. Income received from the issue of vouchers during the year is netted against the corresponding cost and liability recognised for the redemption of those vouchers issued in the year. The net deficit or surplus in the year is included within the cost of sales of the company.

3. Employees

The average monthly number of employees, including directors, during the year was 18 (2016 - 19).

4. Debtors

| | 2017 | 2016 |
|--------------------------------|--------------|--------|
| | £ | £ |
| Trade debtors | 100 | 19,223 |
| Prepayments and accrued income | 4,918 | 4,135 |
| | 5,018 | 23,358 |

THE BEDFORDBID COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 270,593 | 186,211 |
| | <u>270,593</u> | <u>186,211</u> |

6. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Trade creditors | 18,906 | 1,346 |
| Other taxation and social security (see below) | 12,429 | 4,717 |
| Other creditors - Bedford Town Centre Vouchers | 27,950 | 28,025 |
| Accruals | 2,900 | 2,900 |
| | <u>62,185</u> | <u>36,988</u> |

| | 2017 £ | 2016 £ |
|---|---------------|--------------|
| Other taxation and social security | | |
| VAT | 12,429 | 4,717 |
| | <u>12,429</u> | <u>4,717</u> |

THE BEDFORDBID COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. Deferred government grants

| | 2017 £ | 2016 £ |
|---|--------------|--------------|
| Portas Pilot scheme | | |
| Grants deferred from the prior period | 1,330 | 4,788 |
| Received during the year | - | - |
| Recognised as turnover during the year | - | (3,458) |
| Remaining grants deferred at end of period | 1,330 | 1,330 |

Portas Pilot scheme:

The company received government grants under the Portas Pilot scheme for expenditure on specific projects within Bedford. These grants are ring fenced for these purposes and recorded separately from other funds within the company.

The grants are recognised as income within these financial statements in line with the corresponding expenditure. Any received but unspent amounts at the balance sheet date are treated as deferred income.

8. Company status

The company is limited by guarantee. In the event of the company being wound up, every member of the company undertakes to contribute such amounts as may be required (not exceeding one pound) to the assets of the company.

9. Related party transactions

During the year administrative charges of £12,500 (2016: £12,500) were paid to the Bedford Borough Council for the collection of BID levies. In addition, £49,163 (2016: £47,600) of costs, included within cost of sales, were paid to the Bedford Borough Council relating directly to the various initiatives run by BID.

Remuneration of £44,571 (2016: £44,287) was paid to the executive director during the year.

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

THE BEDFORDBID COMPANY LIMITED
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DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

| | 2017 £ | 2016 £ |
|----------------------------|---------------|-----------|
| Turnover | 453,185 | 452,391 |
| Cost of sales | (364,433) | (385,367) |
| Gross profit | 88,752 | 67,024 |
| Gross surplus % | 19.6 % | 14.8 % |
| Less: overheads | | |
| Administration expenses | (48,065) | (46,659) |
| Operating profit | 40,687 | 20,365 |
| Interest receivable | 158 | 482 |
| Profit for the year | 40,845 | 20,847 |

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THE BEDFORDBID COMPANY LIMITED
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SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

| | 2017 £ | 2016 £ |
|---------------------------------------|----------------|----------------|
| Turnover | | |
| BID income | 449,500 | 446,222 |
| Springboard income | 1,640 | 1,640 |
| Utilities income | 1,021 | 716 |
| Portas Pilot scheme grants recognised | - | 3,458 |
| Other income | 1,024 | 355 |
| | <u>453,185</u> | <u>452,391</u> |

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Cost of sales | | |
| Direct wages | 70,914 | 70,479 |
| Portas Pilot scheme expenditure | - | 3,458 |
| Net deficit of Bedford Town Centre Gift Voucher scheme* | 6,125 | 2,166 |
| Marketing, promotions & events | 200,581 | 203,692 |
| Improving the visitor experience | 77,673 | 96,393 |
| Sustainability | - | 20 |
| Partnerships | 9,140 | 9,159 |
| | <u>364,433</u> | <u>385,367</u> |

***Bedford Town Centre Gift Voucher scheme**

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Voucher sales | 76,800 | 63,030 |
| Voucher costs | (82,925) | (65,196) |
| Net deficit from administration of voucher scheme | <u>(6,125)</u> | <u>(2,166)</u> |

Included within the voucher costs of £82,925 (2016: £65,196) are £6,865 (2016: £3,765) of vouchers issued free of charge for promotional purposes and a £4,898 (2016: £3,571) charge in respect of discounts given on bulk purchases. These costs are considered to be part of the operational costs of the scheme which aims to encourage retail trading within the BID area.

THE BEDFORDBID COMPANY LIMITED
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SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

| | 2017 £ | 2016 £ |
|---|---------------|---------------|
| Administration expenses | | |
| Staff training | 370 | - |
| Staff welfare | 1,627 | 1,842 |
| Printing, stationery and postage | 790 | 882 |
| Telephone | 1,488 | 1,600 |
| Computer costs | 2,160 | 2,475 |
| General expenses | 2,572 | 3,640 |
| Subscriptions | 1,475 | 1,441 |
| Legal and professional | 1,806 | 776 |
| Accountancy fees | 4,604 | 4,300 |
| Bank charges | 1,007 | 1,048 |
| Rent, rates and water | 15,825 | 14,783 |
| Insurances | 1,841 | 1,372 |
| Bedford Borough Council levy collection administration charge | 12,500 | 12,500 |
| | 48,065 | 46,659 |
| | 2017 | 2016 |
| | £ | £ |
| Interest receivable | | |
| Bank interest receivable | 158 | 482 |
| | 158 | 482 |