

LUTON BID LTD
Company Limited by Guarantee
Financial Statements
31 March 2017

K B M UK LTD

Chartered Certified Accountants & statutory auditor

1 Concord Business Centre

Concord Road

London

UK

W3 0TJ

LUTON BID LTD
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2017

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the members	8
Statement of income and retained earnings	10
Statement of financial position	11
Notes to the financial statements	12
The following pages do not form part of the financial statements	
Detailed income statement	17
Notes to the detailed income statement	18

LUTON BID LTD

Company Limited by Guarantee

Officers and Professional Advisers

The board of directors

Mr Gavin O'Brien - Director
Councillor S Timoney - Director
Mrs Helen Bailey - Director
Ms Marie Kirbyshaw - Director
Mr Bashire Dalvi - Director
Mr Chandrakant Sonara - Director
Mr Roy Andrew Greening - Director
Mr Mohammed Abbass Shaffi - Director

Registered office

Pfbb Ltd, Iron Gate House 10 Iron Gate,
Cathedral Quarter,
Derby,
Derbyshire
United Kingdom
DE1 3FJ

Auditor

K B M UK Ltd
Chartered Certified Accountants & statutory auditor
1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

LUTON BID LTD
Company Limited by Guarantee
Directors' Report
Year ended 31 March 2017

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

Principal Activity

The principal activity of the company in the year under review was that of running of the Luton town centre Business Improvement District ('BID').

The BID was taken to a successful vote in October 2014. It formally commenced operation in January 2015. The BID will run for 5 years until 31 December 2019 and will undergo a formal renewal process in this final year

The results for the year and financial position of the company are as shown in the annexed audited financial statements.

Business Review

The principle activities of the company during the financial year (April 2016 to March 2017) were that of delivery of projects against the BID Business plan objectives as outlined below.

The results for the year and financial position of the company are as shown in the annexed audited financial statements.

The year ended 31 March 2017 was the second year of the BID's first term which runs through to 2020.

Levy income raised during the period ended on 31 March 2017 was £306,661 and was significantly lower than expectation.

This is due to incorrect reporting of the cash received figure by Luton Borough Council which has been overstating the collection and due to be paid to the Bid Company for the period from May 2015 to March 2016 by £37,618, resulting in an overpayment to Bid Company.

The original cash reporting figure used was including payment of costs which should be retained by Luton Borough Council and accounts that were in credit which, if over £50 will be refunded to the customer. The error was identified in August 2016 and future invoices were adjusted accordingly to take into account the overpayment resulting in a balanced figure being provided by the end of the 2016/17 period. (The Luton Borough Council have confirmed this in writing to the BID on 8 May 2017) In addition, there had been some conversions of premises from commercial to residential, which exempted hereditaments from the levy criteria.

The total expenditure for the period was £405,170.

The overspend against Objective 3 was for extra Policing over the Christmas period, the support of NOAH's alcohol and drug abuse outreach workers with the intention of using an element of the under-spend of the previous year

LUTON BID LTD

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 March 2017

Directors

The directors who served the company during the year were as follows:

Mr Gavin O'Brien
Councillor S Timoney
Mrs H Bailey
Ms Marie Kirbyshaw
Mr A Shaffi
Mr R Greening
Mr D Collinson
Mr C Sonara
Miss J Mattison
Mr B Dalvi

Gavin O'Brien was appointed as a director on 19 November 2014 and re-elected on the 18 May 2016.

Councillor S Timoney was appointed as a director on 17 April 2015.

Mrs H Bailey was appointed as a director on 17 June 2015.

Ms Marie Kirbyshaw was appointed as a director on 4 November 2015.

Mr A Shaffi was appointed as a Director 20 April 2016 and re-elected on the 18 May 2016

Mr R Greening was appointed as a Director on the 20 April 2016 and re-elected on the 18 May 2016

Mr D Collinson was appointed as a Director on 20 April 2016 and re-elected on the 18 May 2016

Mr C Sonara was appointed as a Director on 20 April 2016 and re-elected on the 18 May 2016

Miss J Mattison was appointed as a Director on 20 April 2016 and re-elected on the 18 May 2016

Mr B Dalvi was appointed as a Director on 20 April 2016 and re-elected on the 18 May 2016

Mr C Sonara resigned from the board in January 2017

Mr D Collinson resigned from the board in December 2016

Miss J Mattison resigned from the board in October 2016

Mr B Dalvi resigned from the board in March 2017

BID Strategy and Objectives

Luton BID - The Vision

To develop an energetic and entrepreneurial business community that is ambitious, innovative and always resourceful which connects, inspires and strengthens the business sector and creates cohesion, a vibrant town centre, a great visitor experience and a sense of pride in our town.

Strategic Objectives and Projects

Promotion

1. Identify, develop and promote the strengths, characteristics and the business offer of Luton town centre to positively change perceptions of the town, locally regionally and nationally.

Environment

2. To ensure that the town centre and all its different areas present an accessible and appealing environment which attracts business investment, encourages visitors to stay longer and fosters a pride in the town.

Experience

3. To provide a safe, attractive and appealing experience for visitors and workers in Luton town centre to enjoy.

LUTON BID LTD

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 March 2017

Businesses working together

4. To build on the strengths of the businesses in Luton town centre, to support and promote growth, development, investment and a sense of businesses community.

Activities performed in 2016-2017 include

Promotion

- Social media, Twitter and Facebook for Luton BID
- BID website
- Press releases
- Golden Ticket Christmas Campaign and competition to encourage shoppers loyalty
- Independents Day and Small business Saturday promotion
- Production of four newsletters for BID businesses and weekly e-bulletins
- Advertorials campaign
- Development of guides highlighting food and drink and Health, Beauty and Body Art businesses
- Sponsorship of the Luton town centre business of the year award at the Bedfordshire Business Awards

Experience

- Monthly street entertainment
- Major Christmas campaign, including adverts and advertorials, skating rink, vintage Carousel and entertainment every weekend in December including Christmas Light Switch On
- Running of town Strategic Events group
- Funding of additional PCSOs dedicated for the Luton town centre
- Employment of 3 BID Ambassadors whose role includes business engagement and work with partners to help address Antisocial Behaviour
- Food and drink campaign culminating in special offers, tastings and street entertainment
- Support and funding of the Alcohol and Drug Abusers outreach workers in Luton town centre (NOAH)
- Creation and financial support of an inclusive town centre radio scheme
- Safer Neighbourhood Days
- Funding and support of the Best Bar None Programme

Environment

- Floral displays
- Deep street cleaning and hot spot cleaning projects
- Purchase of Glutton Machine and maintenance
- Tidy Day events

Working Together

- Management of Health High street status and management of working group for Luton Town Centre
- Management of footfall cameras and reporting of footfall and car parking statistics
- Development of a parking scheme in The Luton Mall for people employed by businesses in the BID area

LUTON BID LTD

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 March 2017

- 3 networking events (Luton BID Linked) and a new update event where businesses meet with the project manager

More information about the activities of Luton BID Ltd (Business Improvement District) in 2016/17 was outlined in a Highlights and Achievement document circulated with the levy invoices to businesses in March 2017. Copies are available online www.lutonbid.org and from the BID offices.

Future Developments

The company has done extensive project planning in line with the BID objectives for delivery of projects from April 2017 - March 2018 and has committed costs for these projects to be supported by the current reserve and future levy collections

Governance & Management

Luton Business Improvement District (BID) is one of over 200 BIDs throughout the UK. It was created by businesses in the area, and all the projects are determined and steered by local businesses, in line with the BID Business Plan.

Luton BID Ltd is a company limited by guarantee. It is operated under its Memorandum and Articles of Association dated 19 November 2014. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

During the year the focus of the company's activity has been the development of Luton Town Centre Business Improvement District. This is being delivered within the requirements of the Business Improvement Districts (England) Regulations 2004.

The 'BID Proposal' was adopted after a successful Ballot in October 2014 (for full document, see <http://www.lutonbid.org>). On 16th Sept 2015 the company entered into an operating agreement with Luton Borough Council. Luton Borough Council arranges the collection of the BID Levy from business rate payers in the town centre on behalf of the BID.

The overall management of the company is the responsibility of the directors who are elected and co-opted under the terms of the Articles of Association. With the exception of one director nominated by Luton Borough Council, directors retire by rotation at Annual General Meetings. The directors work on a voluntary basis, do not charge for their time and have worked on Levy payers' behalf to deliver the BID and achievements to date through the BID Project Team.

Membership of Luton BID Ltd is open to all paid up levy payers, and is made up of business representatives from throughout the BID area. The board of the company consists of one nominee from Luton Borough Council together with other Directors appointed by members of the company. It is responsible for the governance of the BID, ensuring that the objectives of the Luton BID business plan are met, and ensuring compliance with the legal and financial regulations governing BIDs.

The Board meets regularly throughout the year, and there is an Annual General Meeting which is usually held in the summer.

At the end of the year there were 706 BID Levy paying businesses and 25 BID Members.

LUTON BID LTD

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 March 2017

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

LUTON BID LTD

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 March 2017

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 19 July 2017 and signed on behalf of the board by:

Mr Gavin O'Brien
Director

Registered office:
Pfbp Ltd, Iron Gate House 10 Iron Gate,
Cathedral Quarter,
Derby,
Derbyshire
United Kingdom
DE1 3FJ

LUTON BID LTD

Company Limited by Guarantee

Independent Auditor's Report to the Members of LUTON BID LTD

Year ended 31 March 2017

We have audited the financial statements of LUTON BID LTD for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LUTON BID LTD

Company Limited by Guarantee

Independent Auditor's Report to the Members of LUTON BID LTD *(continued)*

Year ended 31 March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mohammed Afzaal Bhatti (Senior Statutory Auditor)

For and on behalf of
K B M UK Ltd
Chartered Certified Accountants & statutory auditor

1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

19 July 2017

LUTON BID LTD
Company Limited by Guarantee
Statement of Income and Retained Earnings
Year ended 31 March 2017

	Note	Year to 31 Mar 17 £	Period from 19 Nov 14 to 31 Mar 16 £
Turnover		315,841	472,049
Cost of sales		388,914	298,285
Gross (loss)/profit		(73,073)	173,764
Administrative expenses		16,256	22,573
Operating (loss)/profit		(89,329)	151,191
Other interest receivable and similar income		2	–
(Loss)/profit before taxation	7	(89,327)	151,191
Tax on (loss)/profit		–	–
(Loss)/profit for the financial year and total comprehensive income		(89,327)	151,191
Retained earnings at the start of the year		151,191	–
Retained earnings at the end of the year		61,864	151,191

All the activities of the company are from continuing operations.

The notes on pages 12 to 15 form part of these financial statements.

LUTON BID LTD
Company Limited by Guarantee
Statement of Financial Position
31 March 2017

	Note	2017 £	£	2016 £
Fixed assets				
Tangible assets	8		586	781
Current assets				
Debtors	9	20,439		23,897
Cash at bank and in hand		<u>82,378</u>		<u>161,210</u>
		102,817		185,107
Creditors: amounts falling due within one year	10	<u>41,539</u>		<u>34,697</u>
Net current assets			<u>61,278</u>	<u>150,410</u>
Total assets less current liabilities			<u>61,864</u>	<u>151,191</u>
Net assets			<u>61,864</u>	<u>151,191</u>
Capital and reserves				
Profit and loss account			<u>61,864</u>	<u>151,191</u>
Members funds			<u>61,864</u>	<u>151,191</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 19 July 2017, and are signed on behalf of the board by:

Mr Gavin O'Brien
Director

Company registration number: 09317619

The notes on pages 12 to 15 form part of these financial statements.

LUTON BID LTD

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Pfb Ltd, Iron Gate House 10 Iron Gate,, Cathedral Quarter,, Derby,, Derbyshire, DE1 3FJ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 19 November 2014. Details of how FRS 102 has affected the reported financial position and financial performance are given in note 11.

Revenue recognition

Turnover represents net invoice value of BID levy raised together with other related income excluding Value Added Tax.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at re-valued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

LUTON BID LTD

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 25% reducing balance

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Company limited by guarantee

The entity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

LUTON BID LTD

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

5. Auditor's remuneration

	Year to 31 Mar 17	Period from 19 Nov 14 to 31 Mar 16
	£	£
Fees payable for the audit of the financial statements	<u>2,000</u>	<u>2,000</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 3 (2016: 3).

7. Profit before taxation

(Loss)/profit before taxation is stated after charging:

	Year to 31 Mar 17	Period from 19 Nov 14 to 31 Mar 16
	£	£
Depreciation of tangible assets	<u>195</u>	<u>261</u>

8. Tangible assets

	Equipment £
Cost	
At 1 Apr 2016 and 31 Mar 2017	<u>1,042</u>
Depreciation	
At 1 April 2016	261
Charge for the year	195
At 31 March 2017	<u>456</u>
Carrying amount	
At 31 March 2017	<u>586</u>
At 31 March 2016	<u>781</u>

9. Debtors

	2017	2016
	£	£
Trade debtors	7,656	22,480
Other debtors	12,783	1,417
	<u>20,439</u>	<u>23,897</u>

LUTON BID LTD

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	29,674	19,078
Social security and other taxes	–	834
Other creditors	11,865	14,785
	<u>41,539</u>	<u>34,697</u>

11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 19 November 2014.

No transitional adjustments were required in equity or profit or loss for the period.

LUTON BID LTD
Company Limited by Guarantee
Management Information
Year ended 31 March 2017

The following pages do not form part of the financial statements.

LUTON BID LTD
Detailed Income Statement
Year ended 31 March 2017

	Year to 31 Mar 17 £	Period from 19 Nov 14 to 31 Mar 16 £
Turnover	315,841	472,049
Cost of sales		
Obj 1: Promotion	89,025	71,034
Obj 2: Environment	48,390	30,632
Obj 3: Experience	189,123	116,683
Obj 4: Business Working Together	51,325	33,011
Direct costs - Project Management Central Admin	10,912	16,325
Direct costs - BID Levy Management	139	30,600
	388,914	298,285
Gross (loss)/profit	(73,073)	173,764
Overheads		
Administrative expenses	16,256	22,573
Operating (loss)/profit	(89,329)	151,191
Other interest receivable and similar income	2	-
(Loss)/profit before taxation	(89,327)	151,191

LUTON BID LTD

Notes to the Detailed Income Statement

Year ended 31 March 2017

	Year to 31 Mar 17 £	Period from 19 Nov 14 to 31 Mar 16 £
Administrative expenses		
Rent rates and water	2,711	2,071
Insurance	1,417	1,348
Travel and subsistence	2,801	4,278
Telephone	1,112	1,172
Printing postage and stationery	1,309	2,696
Sundry expenses	59	15
Legal and professional fees (allowable)	3,705	7,707
Accountancy fees	824	1,010
Auditors remuneration	2,000	2,000
Depreciation of tangible assets	195	261
Bank charges	123	15
	<u>16,256</u>	<u>22,573</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>2</u>	<u>-</u>