

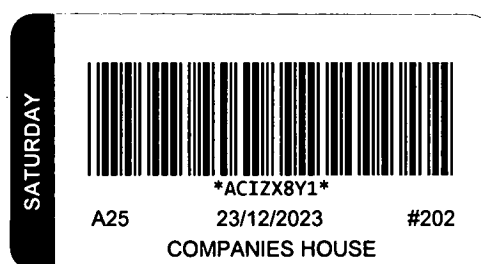
Company registration number: 04155659

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE 52 WEEK PERIOD
ENDED

31 DECEMBER 2022

BLACKHAWK NETWORK
EMEA LIMITED



MENZIES
BRIGHTER THINKING

BLACKHAWK NETWORK EMEA LIMITED

COMPANY INFORMATION

Directors	P Gurney M Howe K Richesson (resigned 16 June 2023) C Ronald A Warren (appointed 1 March 2023)
Company secretary	M Wainhouse
Registered number	04155659
Registered office	Westside London Road Hemel Hempstead Hertfordshire HP3 9TD
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

BLACKHAWK NETWORK EMEA LIMITED

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BLACKHAWK NETWORK EMEA LIMITED

STRATEGIC REPORT FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

The 52 week ended 31 December 2022 is stated as 2022, whilst the 52 week ended 1 January 2022 is stated as 2021. All reference to years represents the years detailed here, unless otherwise noted.

Principal activities

The principal activity of the Company during 2022, was the provision of employee, customer and channel engagement programmes and promotions. These services help our clients engage with their employees, channel partners, customers and prospects, to improve their business performance.

On 1st January 2023 and 1st April 2023 respectively, the trade and assets of Blackhawk Network (Europe) Limited and Samba Days UK Limited, fellow UK Blackhawk group subsidiaries, were transferred to the Company. The principal activity of these entities is the marketing, activation and sale of physical and electronic gift cards through distribution channels in the UK, Europe and the Nordics.

Principal risks and uncertainties

The Company's business does not expose it to any risks other than those associated with normal commercial trading. The Hawk Incentives Holdings Limited group, of which the Company is a part, performs a comprehensive review of risks each year across all businesses in the Group. Each business leader is involved in the review and tasked with identification of risks, actions to mitigate and implementing plans to address risks. The top five risks specific to the Company are identified below:

- Failure of our infrastructure may result in non-delivery of agreed services to clients resulting in loss of business, reputational damage and potential legal claims. The Company invests heavily in its IT infrastructure and employees to ensure this risk is mitigated.
- As part of the trading activities the Company receives money on behalf of clients. The Directors recognise that there are specific obligations when dealing money on behalf of third parties.
- Some of the products sold by the Company, in particular relating to certain employee benefits, are attractive to our clients and their employees because of the tax savings on offer. If the government were to change or remove these savings, this could result in a loss of business. To this end, the Group is always monitoring the legislative environment and works with government wherever possible.
- Since Brexit, whilst the Company has incurred some additional compliance costs, there has not been a material impact to the Company's trade performance owing to the majority of our supply chain being based in the UK.
- Similarly, there has been no impact on the Company's trade performance or supply chain as a result of the Ukraine-Russian conflict. However, the rise in fuel prices has meant that the Group expects to see slight increases in energy and electricity costs. Although, this should not have a material impact on the profitability nor its Going Concern status.

Business Review

Turnover decreased by 7% to £22.9 million and gross profit decreased by 4% to £19.6 million. This was due to less favourable commercial arrangements on programs in 2022 compared to 2021 as a result of a more competitive environment. However, the gross profit margin improved by 3% to 86% as a result of a reduction in cost of sales due to an increase in digital delivery of products. The Company made a significant investment of £1 million in internally developed software in the period to generate profit in future periods from new products and enhancements. The Directors believe that these investments will position the business well for growth in future years.

Shareholders funds have increased by £1.8 million to £20.0 million. Cash increased by £2.8 million.

BLACKHAWK NETWORK EMEA LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

Key performance indicators

The following are our financial Key Performance Indicators:

	31 December 2022	1 January 2022
Turnover (£'000)	22,900	24,610
Gross profit % of turnover	86	83

Directors' statement of compliance with duty to promote the success of the Company

We've outlined the below as part of the Company's duty to promote the success of the company for the benefit of all stakeholders, under section 172(1) of the Companies Act (2006). In our continued efforts to uphold a high-quality standard of business across our product portfolio, we take considered action to ensure that stakeholders are informed and on board with our decisions.

Foster business relationships with suppliers, customers, and other stakeholders

Our customers

We take the utmost care to be transparent in all of our customer communications. We do not mislead or convey false information. We divide our cardholder communications between marketing and transactional, to ensure that customer preferences are adhered to. We tailor our offering and subsequent email communications to relevant, honest topics where we have a genuine belief (and resulting data) that our customers have an interest.

Partners and suppliers

When managing and building relationships with our partners and suppliers, we maintain a vigorous auditing process that ensures we present ourselves at the expected standard. We provide robust compliance training for our employees, which results in positive partner and supplier management.

We work conscientiously with our partners to provide quality content to our customers, while keeping an open channel of communication to highlight issues or changes to service in good time. Our suppliers are trusted, compliant businesses who we audit on an annual basis. These audits allow us to remain in a position of trust with our customers and partners.

BLACKHAWK NETWORK EMEA LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company (Continued)

Interests of employees

The interests of our employees are deep rooted within everything we do at Blackhawk Network EMEA. We invest our time into regular employee briefings, so that all internal stakeholders feel informed as to company decisions and processes. We provide the opportunity for quarterly feedback via our 'Listen Surveys', of which the results are collated and acted upon.

We also provide in depth compliance training such as anti-money laundering, code of business conduct and ethics, data privacy and information security. These trainings are mandatory once per 12-month period.

Our review process, undertaken every 6 months, allows employees to envision a clear career progression and provides a forum for issues to be raised and dealt with professionally.

Act fairly as between members of the company

Blackhawk Network EMEA are dedicated to ensuring transparency in a fair and just manner between its members.

Maintain a reputation for high standards of business conduct

Our Board of Directors are experts in their field and can therefore make calculated decisions under pressure, to drive our business forward without compromising on the quality of our products, reputation or service. We are known within the payments industry as a compliant and well-managed organisation.

Impact of the operations on the community and the environment

In light of the marked concerns surrounding environmental health, there are a number of initiatives underway. We take into consideration all impact points along the production line and have minimised our emissions wherever possible.

In terms of our products, we have focused on driving forward digital-first options. Whilst physical rewards are available to our clients, we highlight the many benefits of utilising our technology, over printed form.

In relation to our workforce and offices, we employ the services of a waste removal company who sort our waste and ensure that as little as possible goes into landfill.

We encourage our staff to commute via a green method and reward those who choose to travel via bike, car-share or public transport. We have installed cycling facilities and provide employees with access to our Cyclescheme benefit whereby participants agree to use their bike for commuting purposes where possible. During 2022, we launched a new Green Car Benefit scheme for our employees, offering brand new, electric or hybrid vehicles as part of a salary sacrifice scheme, thereby encouraging the use of electric and hybrid vehicles where car transport is necessary.

Additionally, we have invested in our headquarters to ensure that energy is consumed in a thoughtful way.

We have built some strong relationships within our local and wider community. We have a 'charity of the year', with several hosted fundraising events for our employees to participate in. We also encourage our employees to invest their own time in volunteering roles, with 2 working days per year granted for community outreach, per employee.

We have raised multiple sums of money and donations of belongings for our local foodbank and many of our staff have participated in team volunteer days to collate and distribute donations at the shelter. Other teams have visited other local charities to help with ongoing projects.

BLACKHAWK NETWORK EMEA LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

Likely consequence of any decision in the long term

Our Board of Directors consider the potential consequences of all decisions and appropriately weigh risk against each action. Regular reporting and a robust escalation process mean that the board remain fully informed at all times and are poised to take action if required.

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

DocuSigned by:

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M Howe
Director

Date: 21-Dec-2023

BLACKHAWK NETWORK EMEA LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the 52 week period ended 31 December 2022.

The 52 week ended 31 December 2022 is stated as 2022, whilst the 52 week ended 1 January 2022 is stated as 2021. All reference to years represents the years detailed here, unless otherwise noted.

Details of activities and principal risks and uncertainties can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Results and dividends

The profit for the 52 week period, after taxation, amounted to £1,551,000 (2021 - £784,000).

No dividends were proposed or paid during 2022 (2021: £4,622,000).

On 26th April 2023, a dividend of £30,000,000 was proposed and paid to the immediate parent company, Hawk Incentives Holdings Limited.

Directors

The directors who served during the 52 week period were:

P Gurney
M Howe
K Richesson (resigned 16 June 2023)
C Ronald

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

During 2022 the Directors made a strategic decision to combine various legal entities in the UK to simplify the Blackhawk group structure and reduce costs. Subsequently the trade and assets of two fellow subsidiaries; Blackhawk Network (Europe) Limited and Samba Days UK Limited were transferred to the Company on 1st January 2023 and 1st April 2023, respectively. The transfer of these two businesses strengthens the balance sheet and net assets of the Company.

Future developments

The Company will continue to expand its distribution networks through grocery, convenience, speciality, online and incentives channels. It continues to expand its product portfolio to include newly launched third party branded gift cards, prepaid cards, other category specific Own Content cards and Software Platforms.

Research and development activities

The Company made a significant investment of £1,103k (2021: £1,108k) in internally developed software in the period to generate profit in future periods from new products and enhancements. The Directors believe that these investments will position the business well for growth in future years. This is in line with expectations.

Employee involvement

The team remains as committed and enthusiastic as always. The Company's profile allows it to attract and hire some of the best talent in the market place. The Board of Directors are committed to invest time and resources in our most valuable asset, our people.

The Company is ever mindful of the importance and value of its employees and ensures that employees are informed and involved regarding matters affecting them as employees and on the various factors affecting the performance of the Company.

BLACKHAWK NETWORK EMEA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due.

The Company's principal financial assets are cash, trade debtors and balances due from other group companies. In order to manage third party credit risk the Company sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

The credit risk on cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Disabled employees

We strive to be a genuinely equal opportunities employer, judging applicants solely based on what they can contribute to our Company and how we can help them achieve their full potential. The same philosophy underpins their subsequent advancement and promotion. Consequently, we are able to promote the causes of disability and diversity to clients on the basis of solid experience rather than empty rhetoric. In the event of staff becoming disabled every effort is made to ensure that their employment with the Company continues and disabled applicants are welcome.

Modern Slavery Act

Blackhawk Network, of which the Company is a part, has published a Modern Slavery and Human Trafficking Statement on its UK corporate website <https://blackhawknetwork.com/uk-en/modern-slavery-human-trafficking-statement>, in line with legislative requirements, and which applies to the Company.

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report. The maximum liability covered on behalf of Directors is approximately £36 million. This is a group-wide indemnity provision that benefits all Directors of all companies within the Blackhawk group.

Energy and carbon emissions

The Company's energy and carbon emission form part of the Group's disclosures and are contained in the consolidated financial statements of Hawk Incentives Holdings Limited.

Matters covered in the Strategic report

Disclosures on future developments have been included within the strategic report.

Disclosure of information to auditors

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

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

BLACKHAWK NETWORK EMEA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

Post balance sheet events

On 1st January 2023 and 1st April 2023 respectively, the trade and assets of Blackhawk Network (Europe) Limited and Samba Days UK Limited, fellow UK Blackhawk group subsidiaries, were transferred to the Company. The principal activity of these entities is the marketing, activation and sale of physical and electronic gift cards through distribution channels in the UK, Europe and the Nordics.


It is also anticipated that the trade and assets of Cyclescheme Limited (a fellow subsidiary in the Hawk Incentives Holdings Limited subgroup) will be transferred to Blackhawk Network EMEA Limited.

On 26th April 2023 a dividend of £30,000,000 was proposed and paid to the immediate parent company, Hawk Incentives Holdings Limited.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

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

DocuSigned by:

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M Howe
Director

Date: 21-Dec-2023

BLACKHAWK NETWORK EMEA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BLACKHAWK NETWORK EMEA LIMITED**MENZIES**
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKHAWK NETWORK EMEA LIMITED

Opinion

We have audited the financial statements of Blackhawk Network EMEA Limited (the 'Company') for the 52 week period ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 31 December 2022 and of its profit for the 52 week period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

BLACKHAWK NETWORK EMEA LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKHAWK NETWORK EMEA LIMITED (CONTINUED)

Opinion 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 52 week period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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.

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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 8, 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.

BLACKHAWK NETWORK EMEA LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKHAWK NETWORK EMEA LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006
- Financial Reporting Standard 102
- UK employment legislation
- UK tax legislation

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. He did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted outside of the normal working patterns of the accounts team, or with unusual descriptions or account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- The application of inappropriate judgements or estimation to manipulate the financial position in the calculation of the year end provisions;
- The posting of unusual journals and complex transactions; or
- The use of management override of controls to manipulate results.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' report.

BLACKHAWK NETWORK EMEA LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKHAWK NETWORK EMEA LIMITED (CONTINUED)

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 Auditors' 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.

DocuSigned by:

Andrew Wooding

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Andrew Wooding FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Date: 22-Dec-2023

BLACKHAWK NETWORK EMEA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

		52 week period ended 31 December 2022 £000	As restated 52 week period ended 1 January 2022 £000
	Note		
Turnover	4	22,900	24,610
Cost of sales		(3,264)	(4,172)
Gross profit		19,636	20,438
Administrative expenses		(23,237)	(25,302)
Other operating income	5	5,005	4,733
Operating profit/(loss)	6	1,404	(131)
Interest receivable and similar income	10	407	6
Profit/(loss) before tax		1,811	(125)
Tax on profit/(loss)	11	(260)	909
Profit for the financial 52 week period		1,551	784

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 16 to 32 form part of these financial statements.

BLACKHAWK NETWORK EMEA LIMITED

REGISTERED NUMBER:04155659

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 December 2022 £000	As restated 1 January 2022 £000
Fixed assets			
Intangible assets	13	1,697	2,302
Tangible fixed assets	14	885	1,262
		<u>2,582</u>	<u>3,564</u>
Current assets			
Stocks	15	2,635	2,854
Debtors: amounts falling due after more than one year	16	1,152	1,143
Debtors: amounts falling due within one year	16	31,434	20,241
Cash at bank and in hand	17	72,966	70,166
		<u>108,187</u>	<u>94,404</u>
Creditors: amounts falling due within one year	18	(90,987)	(79,737)
Net current assets		<u>17,200</u>	<u>14,667</u>
Total assets less current liabilities		<u>19,782</u>	<u>18,231</u>
Net assets		<u>19,782</u>	<u>18,231</u>
Capital and reserves			
Called up share capital	20	50	50
Profit and loss account		19,732	18,181
		<u>19,782</u>	<u>18,231</u>

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

DocuSigned by:

M Howe
 Director
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Date: 21-Dec-2023

The notes on pages 16 to 32 form part of these financial statements.

BLACKHAWK NETWORK EMEA LIMITED

REGISTERED NUMBER:04155659

STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 2 January 2021	50	22,019	22,069
Profit for the period	-	784	784
Dividends: Equity capital	-	(4,622)	(4,622)
At 1 January 2022	50	18,181	18,231
Profit for the 52 week period	-	1,551	1,551
At 31 December 2022	50	19,732	19,782

The notes on pages 16 to 32 form part of these financial statements.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

1. General information

Blackhawk Network EMEA Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The company is registered in England and Wales and the address of the registered office is disclosed on the company information page.

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.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The financial statements cover the 52 week period ending 31 December 2022.

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

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).

This information is included in the consolidated financial statements of Hawk Incentives Holdings Limited as at 31 December 2022 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

2.3 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and there are no post balance sheet events which alter this view. The Directors have considered the future expected cash flow of the Company by adjusting the cash flow forecasts for a reduction in gross profit, with the amended cash flow forecasts showing a positive operating cash position under a stress tested related scenario planning for a period of at least one year from the signing of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes or duty.

Revenue from reward, recall, survey, recognition and communication schemes is recorded across the period of the campaign. Revenue from the sales of goods and vouchers is recognised on dispatch of the goods and vouchers. Revenue from own product cards is recognised on point of spend of that card.

Revenue from breakage is recognised only after six years have passed since the code was issued. Partial breakage revenue for certain bYond and Pure Reward cards is recognised after six months of dormancy, with the remaining breakage balance being recognised after six years have passed. Revenue from breakage of other products is recognised on expiry of the codes/product.

2.5 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 profit or loss 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 profit or loss within 'other operating income'.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 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 profit or loss 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.

2.8 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the 52 week period comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

2.10 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Software is amortised on a straight-line basis over a useful economic life of 36 months.

2.11 Tangible fixed assets

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

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:

Plant and machinery	- 3 years
Fixtures and fittings	- 5 to 12 years

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 profit or loss.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Stocks

Vouchers and e-vouchers for resale are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

2.13 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Unredeemed Hawk Select codes

Hawk Select codes ("Select codes") are reward products issued by the Company. The codes are a choice product which the holder can redeem for a gift card or voucher of their choice.

Unredeemed Select codes are stated in the statement of financial position at the face value of the codes outstanding.

Select codes are held on the statement of financial position until their expiry date.

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

In application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying the Company's accounting policies

Presentation of revenue

A number of the Company's revenue streams involve the sale of third party products and content. The presentation of revenue as gross or net is dependent on the judgement of whether the Company is acting as the principal or agent in the transactions, and the judgement is based on a number of considerations under FRS 102.

Each individual consideration can lead to a different conclusion on whether the Company is acting as principal or agent and a degree of judgement is therefore involved as whether, on balance, it is appropriate to present these revenue streams as gross or net.

Key sources of estimation uncertainty

Recoverability of internally generated intangible assets

During the period, management assessed the recoverability of its intangible asset portfolio which is included in the statement of financial position at £1,697,000 (2021: £2,302,000). Based on estimated future cash flow from the products concerned, management believes that the carrying value will be recovered in full, and this situation will be monitored closely.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

4. Turnover

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

	31 December 2022 £000	1 January 2022 £000
Product sales	16,459	17,875
Services rendered	6,441	6,735
	<u>22,900</u>	<u>24,610</u>

The total turnover of the Company for the period has been derived from customers based in the United Kingdom.

5. Other operating income

	31 December 2022 £000	As restated 1 January 2022 £000
Intercompany recharge of costs	4,714	3,860
Rental income	291	619
Royalty receivable	-	254
	<u>5,005</u>	<u>4,733</u>

6. Operating profit/(loss)

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

	31 December 2022 £000	1 January 2022 £000
Research & development charged as an expense	50	42
Depreciation of tangible fixed assets	470	542
Amortisation of intangible assets, including goodwill	1,605	1,815
Exchange differences	(16)	15
Defined contribution pension cost	566	607

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

7. Auditors' remuneration

During the 52 week period, the Company obtained the following services from the Company's auditors:

	31 December 2022 £000	1 January 2022 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	87	23

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

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

	31 December 2022 £000	As restated 1 January 2022 £000
Wages and salaries	13,455	13,247
Social security costs	1,615	1,459
Cost of defined contribution scheme	566	607
	15,636	15,313

To adjust for capitalised staff costs, the figures from the previous year have been revised. The impact of this adjustment is an increase of wages and salaries of £715,000.

Wages and salaries includes a share options charge of £254,000 (2021: £177,000).

The average monthly number of employees, including the directors, during the 52 week period was as follows:

	31 December 2022 No.	1 January 2022 No.
Business development	34	31
Customer service and operations	75	86
Functional specialist	114	120
Relationship manager	59	65
	282	302

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

9. Directors' remuneration

	31 December 2022 £000	1 January 2022 £000
Directors' emoluments	288	242
Company contributions to defined contribution pension schemes	10	9
	<u>298</u>	<u>251</u>

During the 52 week period retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £288k (2021 - £242k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10k (2021 - £9k).

10. Interest receivable

	31 December 2022 £000	1 January 2022 £000
Bank interest receivable	407	6
	<u>407</u>	<u>6</u>

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

11. Taxation

	31 December 2022 £000	1 January 2022 £000
Corporation tax		
Current tax on profits for the year	269	-
Adjustments in respect of prior periods	-	34
Total current tax	269	34
Deferred tax		
Origination and reversal of timing differences	(9)	(653)
Changes to tax rates	-	(274)
Adjustment in respect of prior periods	-	(16)
Total deferred tax	(9)	(943)
Taxation on profit/(loss) on ordinary activities	260	(909)

Factors affecting tax charge for the 52 week period/period

The tax assessed for the 52 week period/period is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19% (2022 - 19%) as set out below:

	31 December 2022 £000	1 January 2022 £000
Profit/(loss) on ordinary activities before tax	1,812	(126)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	344	(24)
Effects of:		
Expenses not deductible for tax purposes	105	80
Fixed asset differences	2	-
Adjustments to tax rates in respect of prior periods	57	(274)
Adjustment in respect of prior periods	-	18
Group relief claimed for nil consideration	-	126
Movement in deferred tax not recognised	(248)	(835)
Total tax charge for the 52 week period/period	260	(909)

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

12. Dividends

	31 December 2022 £000	1 January 2022 £000
Dividends	-	4,622
	-	4,622

Each share received a dividend of £92.44 in 2021.

13. Intangible assets

	Purchased software £000	Internally developed software £000	Total £000
Cost			
At 2 January 2022	122	6,997	7,119
Additions	-	1,013	1,013
Disposals	-	(2,511)	(2,511)
At 31 December 2022	122	5,499	5,621
Amortisation			
At 2 January 2022	122	4,695	4,817
Charge for the period on owned assets	-	1,605	1,605
Disposals	-	(2,498)	(2,498)
At 31 December 2022	122	3,802	3,924
Net book value			
At 31 December 2022	-	1,697	1,697
At 1 January 2022	-	2,302	2,302

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

14. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 2 January 2022	548	2,435	2,983
Additions	93	-	93
Disposals	(117)	-	(117)
At 31 December 2022	524	2,435	2,959
Depreciation			
At 2 January 2022	310	1,411	1,721
Charge for the period on owned assets	151	319	470
Disposals	(117)	-	(117)
At 31 December 2022	344	1,730	2,074
Net book value			
At 31 December 2022	180	705	885
At 1 January 2022	238	1,024	1,262

15. Stocks

	31 December 2022 £000	1 January 2022 £000
Vouchers held for sales	2,635	2,854
	2,635	2,854

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

16. Debtors

	31 December 2022 £000	1 January 2022 £000
Due after more than one year		
Deferred tax asset	1,152	1,143
	1,152	1,143

It is anticipated that the deferred tax asset will be realised in 5 years.

	31 December 2022 £000	As restated 1 January 2022 £000
Due within one year		
Trade debtors	22,702	13,434
Amounts owed by group undertakings	7,280	5,053
Other debtors	868	1,237
Prepayments and accrued income	584	486
Tax recoverable	-	31
	31,434	20,241

17. Cash and cash equivalents

	31 December 2022 £000	1 January 2022 £000
Current accounts	41,267	32,490
Operationally ring-fenced accounts	31,699	37,676
	72,966	70,166

Cash at bank and in hand includes amounts held in accounts that are operationally ring-fenced in order to make payments to childcare providers under the Company's care-4 scheme. The Company voluntarily undertakes this arrangement as we believe it is best practice, and complies with the code of practice of the Childcare Voucher Providers Association (CVPA), of which the Company is a founding member. The code highlights and establishes clear expectations for parents, carers, employers, and voucher providers. It is considered that whilst the cash is operationally ring-fenced, the offsetting requirements are not met under FRS 102. As such the cash balance and creditor balance are shown separately.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

18. Creditors: Amounts falling due within one year

	31 December 2022 £000	1 January 2022 £000
Trade creditors	6,658	6,635
Amounts owed to group undertakings	7,426	2,829
Other taxation and social security	989	916
Other creditors	31,991	38,385
Accruals and deferred income	43,923	30,972
	<u>90,987</u>	<u>79,737</u>

The amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

19. Deferred taxation

	2022 £000
At beginning of year	1,143
Charged to the profit or loss	9
At end of year	<u>1,152</u>

The deferred tax asset is made up as follows:

	31 December 2022 £000	1 January 2022 £000
Accelerated capital allowances	120	99
Short term timing differences	104	116
Tax losses carried forward	928	928
	<u>1,152</u>	<u>1,143</u>

20. Share capital

	31 December 2022 £000	1 January 2022 £000
Allotted, called up and fully paid		
50,000 (2022 - 50,000) Ordinary shares of £1.00 each	50	50

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

20. Share capital (continued)

The Company has one class of ordinary shares, which carry no right to fixed income.

The retained earnings reserve represents cumulative profits or losses.

21. Share-based payments

Certain of the Company's Directors and employees are participants in the 2018 Stock Incentive Plan of Blackhawk Network Inc. Under the terms of the 2018 Plan, Blackhawk Network Inc. may issue share options to eligible employees as a combination of Time-Vesting Post-Merger Options and Performance-Vesting Post-Merger Options. Grants received allow each grantee to purchase units of shares of the Class B common stock. The Time-Vesting Post-Merger Options vest and become exercisable over a four-year term based on continued service requirements. The vesting of Performance-Vesting Post-Merger Options is subject to achieving or exceeding pre-defined annual EBITDA targets for each of the fiscal years ended 2018 through 2022. Upon achievement of these specified targets each year, 20% of these options shall vest and become exercisable. If the targets are not satisfied in one fiscal year, the options shall vest in the next subsequent fiscal year if that year's targets are satisfied.

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs represents contributions payable by the Company to the fund and are disclosed in Employees note. There were contributions payable to the fund at the reporting date of £183k (2021: £166k).

23. Related party transactions

The Company has taken advantage of the exemption from disclosing transactions with related parties that are wholly owned subsidiaries of the BHN Holdings, Inc. group.

There were no other related party transactions during the period.

24. Post balance sheet events

On 1st January 2023 and 1st April 2023 respectively, the trade and assets of Blackhawk Network (Europe) Limited and Samba Days UK Limited, fellow UK Blackhawk group subsidiaries, were transferred to the Company. The principal activity of these entities is the marketing, activation and sale of physical and electronic gift cards through distribution channels in the UK, Europe and the Nordics.

It is also anticipated that the trade and assets of Cyclescheme Limited (a fellow subsidiary in the Hawk Incentives Holdings Limited subgroup) will be transferred to Blackhawk Network EMEA Limited.

On 26th April 2023 a dividend of £30,000,000 was proposed and paid to the immediate parent company, Hawk Incentives Holdings Limited.

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

25. Controlling party

The immediate parent company is Hawk Incentives Holdings Limited. Hawk Incentives Holdings Limited is the smallest group that the Company is consolidated into and is incorporated in the UK. Copies of Hawk Incentives Holdings Limited financial statements are available to the public at Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

As at 31 December 2022, the ultimate parent company is BHN Holdings, Inc. which is incorporated in the USA and whose registered office is 6220 Stoneridge Mall Rd, Pleasanton, CA 94588, USA. BHN Holdings, Inc. is majority owned by investment funds affiliated with Silver Lake Partners and investment funds affiliated with P2 Capital Partners. There is no individual who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more of the equity interests of BHN Holdings, Inc.

26. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 3 January 2021. The impact of the transition to FRS 102 is as follows:

	<i>As previously stated 1 January 2022 £000</i>	<i>Effect of transition 1 January 2022 £000</i>	FRS 102 (as restated) 1 January 2022 £000
Fixed assets	9,547	(5,983)	3,564
Current assets	94,166	238	94,404
Creditors: amounts falling due within one year	(79,903)	166	(79,737)
Net current assets	14,263	404	14,667
Total assets less current liabilities	23,810	(5,579)	18,231
Creditors: amounts falling due after more than one year	(5,874)	5,874	-
Net assets	17,936	295	18,231
Capital and reserves	17,936	295	18,231

BLACKHAWK NETWORK EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 31 DECEMBER 2022

26. First time adoption of FRS 102 (continued)

	<i>As previously stated 1 January 2022 £000</i>	<i>Effect of transition 1 January 2022 £000</i>	FRS 102 (as restated) 1 January 2022 £000
Turnover	24,610	-	24,610
Cost of sales	(4,664)	492	(4,172)
	<u>19,946</u>	<u>492</u>	<u>20,438</u>
Administrative expenses	(24,530)	(772)	(25,302)
Other operating income	4,734	(1)	4,733
	<u>150</u>	<u>(281)</u>	<u>(131)</u>
Operating profit	150	(281)	(131)
Interest receivable and similar income	6	-	6
Interest payable and similar charges	(281)	281	-
Taxation	909	-	909
	<u>784</u>	<u>-</u>	<u>784</u>
Profit on ordinary activities after taxation and for the financial period	<u>784</u>	<u>-</u>	<u>784</u>

Explanation of changes to previously reported profit and equity:

- 1 As a result of transitioning to FRS 102, the financial statements no longer include the right-of-use asset and lease liability. This also means that the lease interest and amortisation of the right-of-use asset are no longer included in the Statement of Profit and Loss.