

Registrar's Copy

BLI Services (UK) Limited

Report and Financial Statements

Year ended

31 December 2015

Company Number 07865522

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BLI Services (UK) Limited

Report and financial statements for the year ended 31 December 2015

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Director

G J Stoia

Registered office

1st Floor, HealthAid House, Marlborough Hill, Harrow, Middlesex, HA1 1UD

Company number

07865522

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, RG1 3EX

BLI Services (UK) Limited

Director's report for the year ended 31 December 2015

The director presents his report together with the audited financial statements for the year ended 31 December 2015.

Results

The Statement of comprehensive income is set out on page 5 and shows the profit for the year.

The director does not recommend the payment of a final dividend.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for the director of BLI Services (UK) Limited.

Director

The director of the company throughout the year was:

G J Stoia

Director's responsibilities

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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. He is 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.

BLI Services (UK) Limited

Director's report
for the year ended 31 December 2015 (*continued*)

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

In preparing this Director's report, advantage has been taken of the small companies exemption.

On behalf of the Board

 1/25/17

G J Stoia

Director

BLI Services (UK) Limited

Independent auditor's report

TO THE MEMBERS OF BLI SERVICES (UK) LIMITED

We have audited the financial statements of BLI Services (UK) Limited for the year ended 31 December 2015 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is 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'.

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 the director and auditors

As explained more fully in the statement of director's responsibilities, the director is 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matter

The corresponding figures for the year ended 31 December 2014 are unaudited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Director's report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit, we have identified no material misstatements in the Director's report.

BLI Services (UK) Limited

Independent auditor's report (*continued*)

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements and the Director's report in accordance with the small companies' regime and to the exemption from the requirement to prepare a Strategic report.

BDO LLP

*Christopher Pooles (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date *25th JANUARY 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BLI Services (UK) Limited

Statement of comprehensive income for the year ended 31 December 2015

	Note	2015 \$	Unaudited as restated 2014 \$
Turnover		1,555,186	1,409,074
Cost of sales		<u>(134,677)</u>	<u>(136,428)</u>
Gross profit		1,420,509	1,272,646
Administrative expenses		<u>(1,337,148)</u>	<u>(1,202,268)</u>
Operating profit	4	83,361	70,378
Taxation charge on profit on ordinary activities	6	<u>(18,178)</u>	<u>(15,429)</u>
Profit for the financial year		65,183	54,949
Exchange losses on translation of foreign currency balances		<u>(40,962)</u>	<u>(48,718)</u>
Other comprehensive income for the year		(40,962)	(48,718)
Total comprehensive income for the year		<u>24,221</u>	<u>6,231</u>

The results stated above are derived from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

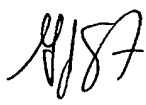
BLI Services (UK) Limited

Balance sheet at 31 December 2015

Company number 07865522	Note	2015	2015	Unaudited as restated 2014	Unaudited as restated 2014
		\$	\$	\$	\$
Fixed assets					
Tangible assets	7		29,174		11,566
Investments	8		1,483		-
			<u>30,657</u>		<u>11,566</u>
Current assets					
Debtors	9	277,713		37,875	
Cash at bank and in hand		76,699		1,544,989	
		<u>354,412</u>		<u>1,582,864</u>	
Creditors: amounts falling due within one year	10	(241,421)		(1,475,003)	
Net current assets			<u>112,991</u>		<u>107,861</u>
Net assets			<u>143,648</u>		<u>119,427</u>
Capital and reserves					
Called up share capital	12		15,728		15,728
Profit and loss account			127,920		103,699
Shareholders' funds			<u>143,648</u>		<u>119,427</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Director and authorised for issue on

 1/25/17

G J Stoia
Director

The notes on pages 8 to 15 form part of these financial statements.

BLI Services (UK) Limited

Statement of changes in equity for the year ended 31 December 2015

	Share capital \$	Profit and loss account \$	Total equity \$
1 January 2015 (unaudited as restated)	15,728	103,699	119,427
Profit for the year	-	65,183	65,183
Exchange loss on translation of foreign currency balances	-	(40,962)	(40,962)
Other comprehensive income	-	(40,962)	(40,962)
Total comprehensive income for the period	-	24,221	24,221
31 December 2015	15,728	127,920	143,648

	Share capital \$	Profit and loss account \$	Total equity \$
1 January 2014 (unaudited as restated)	15,728	97,468	113,196
Profit for the year	-	54,949	54,949
Exchange loss on translation of foreign currency balances	-	(48,718)	(48,718)
Other comprehensive income	-	(48,718)	(48,718)
Total comprehensive income for the period	-	6,231	6,231
31 December 2014 (unaudited as restated)	15,728	103,699	119,427

The notes on pages 8 to 15 form part of these financial statements.

BLI Services (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A Small Entities (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and the Companies Act 2006. Information on the impact of the first-time adoption of section 1A *Small Entities* in FRS 102 is given in note 16.

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 2).

The following principal accounting policies have been applied:

Presentational currency

The company's presentational currency of USD is different to its functional currency. Effective 1 January 2015, the company's presentational currency was changed to USD as the board considered that this is more closely aligned with the operations of the parent company, BLI Holding Inc. Comparative information has been restated in USD in accordance with guidance in FRS 102 section 30. The 31 December 2014 numbers and associated notes have been retranslated from GBP to USD using the procedures outlined below:

- I. assets and liabilities were translated into USD at closing rates of exchange;
- II. revenue and expenses were translated into USD at the prevailing rate at the date of transactions; and
- III. differences resulting from retranslation on the opening net assets and results for the period have been taken to Other comprehensive income.

Consolidated financial statements

The financial statements contain information about BLI Services (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is itself a subsidiary undertaking and is fully consolidated in the financial statements of its immediate parent company BLI Holding, Inc., a company incorporated in the United States of America. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis, which the director believes to be appropriate. The company made a profit after taxation of \$65,183 (2014 - \$54,949) for the year, had net current assets of \$112,991 (2014 - \$107,861) and had net assets of \$143,648 (2014 - \$119,427) at the balance sheet date.

The company is funded through support from its ultimate parent company BLI Holding, Inc. which has undertaken to continue to give such financial assistance as the company requires it to enable it to continue to trade for a period of at least 12 months from the date of approval of these financial statements.

As a result of the above, the director has prepared the financial statements on a going concern basis.

Foreign currency translation

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

BLI Services (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

Turnover

Turnover represents fees, exclusive of Value Added Tax, for supporting its parent company's activities.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	- 7 year straight line
Laboratory equipment	- 5 year straight line
Computer equipment	- 5 year straight line
Software	- term of agreement

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Investments

Investments held as fixed assets are shown at cost less provision for impairment in value.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account. The assets of the scheme are held separately in an independently administered fund.

Operating leases

Rentals under operating leases are charged to the profit or loss on a straight line basis over the lease term.

BLI Services (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future years. This is measured at the undiscounted salary cost of the future holiday entitlement.

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

In the application of the company's accounting policies, the director is 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements the director has made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- *Creditors, provisions and liabilities (see note 10):*

Liabilities are recognised at the balance sheet date and include amounts for accrued holiday pay, bonuses and payroll costs. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

3 Prior year adjustment

In prior years, the director prepared and filed unaudited company only financial statements by taking advantage of the audit exemption set out in s479A of the Companies Act 2006.

In those prior years, the financial statements incorrectly recorded a goodwill balance of \$1,468,000. This balance has therefore been removed from the company's opening net assets in the comparative period at 1 January 2014. This has resulted in a decrease in fixed assets, amounts owed from group companies and net assets at 31 December 2014 of \$1,468,000.

During the year, the director also identified that the share capital of the company had not been recognised. This has resulted in a \$15,728 increase to share capital and amounts owed from group companies and net assets in the comparative year.

In addition, certain administrative expenses were not recorded in the comparative year. This has resulted in a \$29,954 increase in other creditors and administrative expenses, an increase of \$31,531 in turnover and amounts owed from group companies and a \$1,577 increase in profit and net assets in the comparative year.

The errors were detected during the current year and, in accordance with the requirement stated in section 10 of Financial Reporting Standard 102, the errors are now recognised retrospectively and certain comparative figures in the Statement of comprehensive income and the Balance sheet have been restated.

BLI Services (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

4 Operating profit

	2015 \$	Unaudited as restated 2014 \$
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	7,140	2,946
Fees payable to the company's auditor for the audit of the company's annual accounts	20,750	-
Fees payable to the company's auditor for other services to the company	3,000	-
Operating lease expense	34,039	40,613
Defined contribution pension cost	2,901	-
Exchange differences	65,973	(59,951)
	<hr/>	<hr/>

5 Employees

	2015 Number	Unaudited 2014 Number
The average number of employees, including the director, during the year were:	11	9
	<hr/>	<hr/>

6 Taxation on profit on ordinary activities

	2015 \$	Unaudited as restated 2014 \$
<i>UK corporation tax</i>		
Current tax credit on profit of the year	15,160	13,115
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	3,239	2,314
Adjustments in respect of prior periods	(221)	-
	<hr/>	<hr/>
Total deferred tax (see note 11)	3,018	2,314
	<hr/>	<hr/>
Tax on profit on ordinary activities	18,178	15,429
	<hr/>	<hr/>

BLI Services (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

6 Taxation on profit on ordinary activities (*continued*)

The tax assessed for the year is higher (2014 – higher) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 \$	Unaudited as restated 2014 \$
Profit on ordinary activities before tax	83,361	70,378
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2014 - 20%)	16,672	14,076
Effects of:		
Fixed assets differences	123	1,264
Expenses not deductible for tax purposes	3,017	-
Foreign exchange differences	(1,634)	89
Total tax charge for period	18,178	15,429

7 Tangible fixed assets

	Furniture and fixtures \$	Laboratory equipment \$	Computer equipment \$	Software \$	Total \$
<i>Cost</i>					
At 1 January 2015 (unaudited)	591	-	15,023	1,195	16,809
Additions	-	4,999	19,749	-	24,748
At 31 December 2015	591	4,999	34,772	1,195	41,557
<i>Depreciation</i>					
At 1 January 2015 (unaudited)	105	-	5,118	20	5,243
Provision for year	85	666	6,149	240	7,140
At 31 December 2015	190	666	11,267	260	12,383
<i>Net book value</i>					
At 31 December 2015	401	4,333	23,505	935	29,174
At 31 December 2014 (unaudited)	486	-	9,905	1,175	11,566

BLI Services (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

8 Fixed asset investments

	2015 \$	Unaudited 2014 \$
Investments in subsidiary company, cost and net book value	1,483	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
InfoTrends Limited	United Kingdom	100%	The production and distribution of reports and consulting services in the printing and copier consumable fields.

9 Debtors

	2015 \$	Unaudited as restated 2014 \$
Other debtors	45,084	37,875
Amounts due from group companies	232,629	-
	<u>277,713</u>	<u>37,875</u>

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2015 \$	Unaudited as restated 2014 \$
Trade creditors	63,956	-
Amounts owed to group companies	-	1,236,099
Other creditors	157,617	224,327
Corporation tax	14,516	12,263
Deferred tax liability	5,332	2,314
	<u>241,421</u>	<u>1,475,003</u>

Deferred tax of \$5,332 (2014- \$2,314) is not due for payment within one year.

BLI Services (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

11 Deferred taxation

The movement in deferred taxation during the year was:

	2015 \$	Unaudited as restated 2014 \$
Provision at start of period	2,314	-
Deferred tax charged in the profit and loss	3,018	2,314
	<u>5,332</u>	<u>2,314</u>
At end of year (see note 10)	5,332	2,314
	<u>5,332</u>	<u>2,314</u>
The provision for deferred taxation is made up as follows:		
Accelerated capital allowances	5,332	2,314
	<u>5,332</u>	<u>2,314</u>

12 Share capital

	Allotted, called up and fully paid			Unaudited as restated 2014 \$
	2015 Number	Unaudited as restated 2014 Number	2015 \$	Unaudited as restated 2014 \$
Ordinary shares of £1 each	10,000	10,000	15,728	15,728
	<u>10,000</u>	<u>10,000</u>	<u>15,728</u>	<u>15,728</u>

13 Pensions

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 cost charge represents contributions payable by the company to the fund and amounted to \$2,901 (2014 - \$nil). There were no contributions payable to the fund at the balance sheet date (2014 - \$nil).

14 Commitments under operating leases

As at 31 December 2015, the company had total future minimum commitments under non-cancellable operating leases as set out below:

	2015 \$	Unaudited 2014 \$
Operating lease commitments which are owed:		
Not later than 1 year	33,296	33,296
Later than 1 year and not later than 5 years	8,324	41,620
	<u>41,620</u>	<u>74,916</u>

BLI Services (UK) Limited

**Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)**

15 Related party transactions

The ultimate parent company, controlling undertaking and head of the smallest and largest group into which the results of the company are consolidated is BLI Holding, Inc., a company incorporated in the State of Delaware, United States of America.

Copies of the consolidated financial statements, which include the company, are available from BLI Holding, Inc., 80 Little Falls Rd., Fairfield, NJ 07004, USA.

There were no transactions with related parties during the period.

16 First time adoption of FRS 102

This is the first period that the company has prepared its financial statements in accordance with FRS 102 Section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. There were no changes arising from the transition to the new standard that have impacted assets, equity, liabilities or result for the year, subsequently no figures are restated.