
BOOST CAPITAL LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018



BOOST CAPITAL LIMITED
REGISTERED NUMBER: 07831099

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets	5	-	62,712
Tangible fixed assets	6	90,110	126,782
Fixed asset investments	7	1	1
		<u>90,111</u>	<u>189,495</u>
Current assets			
Debtors	8	1,884,608	3,318,527
Cash at bank and in hand	9	654,436	1,158,460
		<u>2,539,044</u>	<u>4,476,987</u>
Creditors: amounts falling due within one year	10	(225,697)	(273,027)
Net current assets		<u>2,313,347</u>	<u>4,203,960</u>
Total assets less current liabilities		<u>2,403,458</u>	<u>4,393,455</u>
Creditors: amounts falling due after more than one year	11	(13,882,945)	(12,616,163)
Net liabilities		<u>(11,479,487)</u>	<u>(8,222,708)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		(11,479,587)	(8,222,808)
		<u>(11,479,487)</u>	<u>(8,222,708)</u>

BOOST CAPITAL LIMITED
REGISTERED NUMBER: 07831099

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



Mr R L Solarana
Director

Date: 9/9/19

The notes on pages 3 to 13 form part of these financial statements.

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The principal activity of Boost Capital Limited ("the Company") is that of providing finance to businesses.

The Company is a private company limited by shares and is incorporated in England and Wales.

The registered office address is Greenwood House, 91-99 New London Road, Chelmsford, Essex, CM2 0PP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 Section 1A - small entities 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).

Group Accounts

The company is entitled to the exemption under Section 399 of the Companies Act 2006 from the obligation to prepare group accounts.

The following principal accounting policies have been applied:

2.2 Going concern

Together with its wholly-owned subsidiary undertaking, Boost Receivables Ltd, the Companies continue to make an overall loss in line with its forecasts as a growing UK operation. As at the reporting date, the two entities had net liabilities of £11,747,201 and together made a post tax loss of £3,471,180. The directors, however, consider it appropriate to prepare the financial statements under the going concern basis, as the UK entities will continue to be supported by its parent company, BFS Capital Inc., for a period of at least 12 months from the date of signing these financial statements.

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts. The following criteria must also be met before revenue is recognised:

Interest and factoring income on loans and advances is calculated using the effective interest method which allocates any fees receivable over the expected life of the assets and represents the return on credit risk faced by the entity. The effective interest method requires the Company to estimate future cashflows, in some cases based on experience of behaviour, the terms of the loan or advance agreements and the expected lives of the receivables.

The effective interest rate is calculated at the time of initiating the loan or advance facility and the calculation is based on estimating future cash flows over the shorter of the contractual life of the loan/advance or the expected behavioural life. The expected life assumptions utilise repayment profiles to represent how borrowers are expected to repay. The Company has limited historical experience to support these profiles and, therefore, management must apply judgement, in addition to any historical information available.

2.4 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.

2.5 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, etc	- 3-5 years straight line
Leasehold improvements	- Over the period of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Cash and cash equivalents

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

2.8 Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Income and Retained Earnings over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position 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 Statement of Income and Retained Earnings over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Income and Retained Earnings is charged with fair value of goods and services received.

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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.

2.14 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

BOOST CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.15 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of debtors

Determination of whether there are indicators of impairment of the Company's debtors. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the expected recoverability of receivables, considering the borrower's payment history and the director's knowledge of the financial position of each debtor.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the property plant and equipment, and accounting policy note 2.5 for the useful economic lives for each class of assets.

4. Employees

No director received any emoluments during the current year. All directors are remunerated by the ultimate controlling party.

The average monthly number of employees, including directors, during the year was 20 (2017 - 22).

BOOST CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Intangible assets

	Development £
Cost	
At 1 January 2018	62,712
Additions	14,838
At 31 December 2018	<u>77,550</u>
Amortisation	
Impairment charge	77,550
At 31 December 2018	<u>77,550</u>
Net book value	
At 31 December 2018	<u>-</u>
<i>At 31 December 2017</i>	<u><u>62,712</u></u>

BOOST CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Tangible fixed assets

	Plant and machinery £	Leasehold improvements £	Total £
Cost or valuation			
At 1 January 2018	104,786	84,587	189,373
Additions	3,007	-	3,007
At 31 December 2018	<u>107,793</u>	<u>84,587</u>	<u>192,380</u>
Depreciation			
At 1 January 2018	48,493	14,098	62,591
Charge for the year on owned assets	22,762	16,917	39,679
At 31 December 2018	<u>71,255</u>	<u>31,015</u>	<u>102,270</u>
Net book value			
At 31 December 2018	<u>36,538</u>	<u>53,572</u>	<u>90,110</u>
At 31 December 2017	<u>56,293</u>	<u>70,489</u>	<u>126,782</u>

7. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 January 2018	1
At 31 December 2018	<u>1</u>
Net book value	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

BOOST CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Boost Receivables Limited	Ordinary	100 %	Providing finance to businesses

8. Debtors

	2018	2017
	£	£
Due after more than one year		
Other debtors	63,936	72,280
	63,936	72,280
Due within one year		
Trade debtors	54,523	1,164,906
Amounts owed by group undertakings	1,686,407	1,992,838
Other debtors	-	7,888
Prepayments and accrued income	79,742	80,615
	1,884,608	3,318,527

Trade debtors are stated net of provisions. The total provision for the year is £19,907 (2017: £322,709), including a specific provision of £38 (2018: £147,885).

9. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	654,436	1,158,460
	654,436	1,158,460

BOOST CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	59,069	66,875
Other taxation and social security	34,545	31,588
Other creditors	320	1,899
Accruals and deferred income	131,763	172,665
	<u>225,697</u>	<u>273,027</u>

11. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>13,882,945</u>	<u>12,616,163</u>

12. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

13. Share-based payments

The ultimate parent, BFS Capital Inc., has granted share options to which FRS 102 Section 26 (share-based payments) is applicable to employees of the Company. Neither the charge this year, nor the cumulative charge since the options were granted, are material to the Company so are not recognised in these financial statements.

The Company has taken advantage of the disclosure exemptions for qualifying entities under FRS 102 in respect of share-based payments. Full details of options at the year end can be seen in the financial statements of the ultimate parent, BFS Capital Inc.

14. Prior year adjustment

The comparative information in the financial statements has been restated from the figures previously reported in the prior year accounts to reflect a presentational adjustment of difference on foreign exchange of £1,221,556 from administrative expenses to a separate line item on the face of the Statement of Income and Retained Earnings. This has had no impact on profit or net assets.

BOOST CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £724 (2017: £306) were payable to the fund at the Statement of Financial Position date.

16. Related party transactions

Where possible, the Company has taken advantage of the exemption conferred by section 33.1A of Financial Reporting Standard 102: Related Party Disclosures, from the requirements to disclose transactions with other wholly-owned group undertakings.

17. Ultimate parent undertaking

The Company's immediate and ultimate parent is BFS Capital Inc, a company registered in the United States of America. Their registered office address is 3301 N. University Drive, Suite 300, Coral Springs, Florida, 33065.

The smallest and largest group into which the results of the Company for the 31 December 2018 year end are consolidated is that headed by BFS Capital Inc.

The results of the Company for the 31 December 2018 year end are consolidated within BFS Capital Inc.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

In their report, the auditors emphasised that following matter without qualifying their report:
We draw attention to accounting policy note 2.2 in the financial statements, which indicates that the loss in the year end and the net liabilities at the year end indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 16/9/2019 by Michael Wedge FCA (Senior Statutory Auditor) on behalf of Berg Kaprow Lewis LLP.