

# Boost Capital Ltd

Report and Financial Statements

Year Ended

31 December 2016

Company Number 07831099

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# Boost Capital Ltd

## Company Information

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<b>Directors</b>	Mr A J Nelsas BFS Capital Inc Mr R L Solarana
<b>Registered number</b>	07831099
<b>Registered office</b>	Greenwood House 91-99 New London Road Chelmsford Essex CM2 0PP
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# Boost Capital Ltd

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**Boost Capital Ltd**  
Registered number: 07831099

**Statement of Financial Position**  
As at 31 December 2016

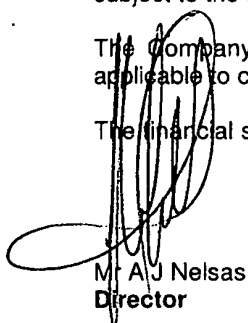
	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	5		20,499		6,422
Investments	6		1		-
			20,500		6,422
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	6,940,208		4,385,759	
Cash at bank and in hand		1,149,024		162,625	
		8,089,232		4,548,384	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(261,152)		(151,706)	
<b>Net current assets</b>			7,828,080		4,396,678
<b>Total assets less current liabilities</b>			7,848,580		4,403,100
Creditors: amounts falling due after more than one year	9		(14,492,223)		(7,398,482)
<b>Net liabilities</b>			(6,643,643)		(2,995,382)
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss account			(6,643,743)		(2,995,482)
<b>Shareholders' deficit</b>			(6,643,643)		(2,995,382)

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 comprehensive income 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 on

  
M. A. J. Nelsas  
Director

14. Nov 2017

The notes on pages 2 to 10 form part of these financial statements.

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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### 1. General information

Boost Capital Ltd is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is 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 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).

The company adopted FRS 102 Section 1A - small entities on 1 January 2015. Information on the impact of first-time adoption of FRS 102 Section 1A - small entities is given in note 13.

The following principal accounting policies have been applied:

#### 2.2 Group accounts

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

#### 2.3 Going concern

The company continues to make a loss in line with its forecasts as a growing entity and at the year-end has a net liability position of £6,643,643 (2015 - £2,995,382). The directors however consider it appropriate to prepare the financial statements on the going concern basis, as the company 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.

#### 2.4 Turnover

Interest 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 agreement and the expected lives of the receivable.

The effective interest rate is calculated at the time of initiating the loan facility and the calculation is based on estimating future cash flows over the shorter of the contractual life of the loan 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.

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Leasehold improvements	- Over the period of the lease
Plant and machinery etc.	- 3 years straight line

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 Comprehensive Income.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.7 Financial instruments

The company applies the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments (continued)

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 Operating leases

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

#### 2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine 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, in light of the borrowers payment history and the directors knowledge of the financial position of each debtor.

### 4. Employees

The average monthly number of employees, including directors, during the year was 19 (2015 - 11).

No director received any emoluments during the current year (2015 - £Nil). All directors are remunerated by the parent company in the current and previous year.

### 5. Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc. £	Total £
<b>Cost</b>			
At 1 January 2016	1,920	43,976	45,896
Additions	-	25,056	25,056
At 31 December 2016	1,920	69,032	70,952
<b>Depreciation</b>			
At 1 January 2016	-	39,474	39,474
Charge for the year	-	10,979	10,979
At 31 December 2016	-	50,453	50,453
<b>Net book value</b>			
At 31 December 2016	1,920	18,579	20,499
At 31 December 2015	1,920	4,502	6,422

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
Additions	1
At 31 December 2016	<u>1</u>
<b>Net book value</b>	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>-</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
Boost Receivables Limited	Suite 1, 3rd Floor 11-12 St. James's Square, London SW1Y 4LB	Ordinary	100 %	Providing loan facilities to businesses.

Boost Receivables Limited is incorporated in England and Wales.

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves (unaudited) £	Profit/(loss) (unaudited) £
Boost Receivables Limited	(719,922)	(719,923)
	<u>(719,922)</u>	<u>(719,923)</u>

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 7. Debtors

	2016 £	2015 £
Trade debtors	3,945,636	4,227,406
Amounts owed by group undertakings	2,846,810	-
Other debtors	147,762	158,353
	<u>6,940,208</u>	<u>4,385,759</u>

Trade debtors are stated net of provisions. The total provision for the year is £1,570,260 (2015 - £1,150,835) including a specific provision of £1,182,204 (2015 - £933,185).

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

### 8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	72,563	90,595
Other taxation and social security	31,788	23,961
Other creditors	156,801	37,150
	<u>261,152</u>	<u>151,706</u>

### 9. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>14,492,223</u>	<u>7,398,482</u>

### 10. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within one year	25,051	33,374
Between 2-5 years	269,848	-
	<u>294,899</u>	<u>33,374</u>

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

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### 11. Related party transactions

During the year the company was charged an amount of £512,345 (2015 - £Nil) by BFS Capital Inc, the entities parent company, for expenses incurred on their behalf. Interest of £289,684 (2015 - £167,478) was charged during the year. As at 31 December 2016, an amount of £14,492,223 (2015 - £7,398,482) was due to BFS Capital Inc.

As at 31 December 2016, an amount of £2,846,810 (2015 - £Nil) was owed to the company by Boost Receivables Limited, a subsidiary incorporated during the year.

### 12. Ultimate parent company and parent undertaking of larger group

The company's immediate and ultimate parent company 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 2016 year end are consolidated is that headed by BFS Capital Inc.

# Boost Capital Ltd

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 13. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 January 2015

	Note	£
Equity at 1 January 2015 under previous UK GAAP		(1,850,366)
<b>Equity shareholders funds at 1 January 2015 under FRS 102</b>		<b>(1,850,366)</b>

#### Reconciliation of equity at 31 December 2015

	Note	£
Equity at 31 December 2015 under previous UK GAAP		(2,783,577)
Effective interest rate adjustment	1	(211,805)
<b>Equity shareholders funds at 31 December 2015 under FRS 102</b>		<b>(2,995,382)</b>

#### Reconciliation of profit and loss account for the year ended 31 December 2015

		£
Loss for the year under previous UK GAAP		(933,211)
Effective interest rate adjustment	1	(211,805)
<b>Loss for the year ended 31 December 2015 under FRS 102</b>		<b>(1,145,016)</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS102 requires loans receivable held at amortised cost to be accounted for using the effective interest rate method. Under previous UK GAAP, interest was measured on an accruals basis rather than using the effective interest rate.

### 14. Auditor's information

The report of the auditor on the financial statements prepared for shareholders was signed on 14 November 2017 by Daniel Taylor, Senior Statutory Auditor for and on behalf of BDO LLP, statutory auditor and was unqualified.