

Boost Capital Ltd

Report and Financial Statements

Year Ended

31 December 2015

Company Number 07831099

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Boost Capital Ltd

**Report and financial statements
for the year ended 31 December 2015**

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Directors

Mr A J Nelsas
BFS Capital Inc

Registered office

C/O Third Floor, Carlton House 101, New London Road, Chelmsford, Essex, CM2 0PP

Company number

07831099

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Boost Capital Ltd

Report of the directors for the year ended 31 December 2015

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities

The principal activity of the company is that of providing financial facilities to businesses.

Directors

The directors of the company during the year were:

Mr A J Nelsas
BFS Capital Inc

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Boost Capital Ltd

Report of the directors for the year ended 31 December 2015 (continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves 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 directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all of its directors.

On behalf of the board


Mr A J Nelsas
Director

30.09.2016

Boost Capital Ltd

Independent auditor's report

To the members of Boost Capital Ltd

We have audited the financial statements of Boost Capital Ltd for the year ended 31 December 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Boost Capital Ltd

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

BDO LLP

*Anil Kapoor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

30 September 2016

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

Boost Capital Ltd

Profit and loss account for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	2,418,717	1,939,826
Cost of sales		1,675,166	1,426,402
Gross profit		743,551	513,424
Administrative expenses		1,676,873	1,427,321
Operating loss	3	(933,322)	(913,897)
Other interest receivable and similar income		111	165
Loss on ordinary activities before and after taxation for the financial year		(933,211)	(913,732)

The above activities relate to continuing operations.

There are no gains or losses other than those above therefore no statement of total recognised gains or losses has been presented.

The notes on pages 7 to 11 form part of these financial statements.

Boost Capital Ltd

Balance sheet at 31 December 2015

<i>Company number 07831099</i>	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	6		6,422		17,635
Current assets					
Debtors	7	4,597,564		3,089,614	
Cash at bank and in hand		162,625		557,538	
		<u>4,760,189</u>		<u>3,647,152</u>	
Creditors: amounts falling due within one year	8	151,706		85,759	
Net current assets			<u>4,608,483</u>		<u>3,561,393</u>
Total assets less current liabilities			<u>4,614,905</u>		<u>3,579,028</u>
Creditors: amounts falling due after more than one year	9		7,398,482		5,429,394
			<u>(2,783,577)</u>		<u>(1,850,366)</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account			<u>(2,783,677)</u>		<u>(1,850,466)</u>
Shareholders' deficit			<u>(2,783,577)</u>		<u>(1,850,366)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board of directors and authorised for issue on

30.09.2016

Mr A J Nelsas
Director

The notes on pages 7 to 11 form part of these financial statements.

Boost Capital Ltd

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 the Financial Reporting Standard for Smaller Entities (effective January 2015).

The following principal accounting policies have been applied:

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 £2,783,577. 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 and unaudited cashflow projections suggest such support will not be required.

Cash flow statement

The Financial Reporting Standard for Smaller Entities (effective January 2015) does not require the preparation of a cash flow statement. Accordingly, the company has not prepared one.

Turnover

The company advances monies to its business customers, who are located throughout the United Kingdom. Customer payments are received on a daily or weekly basis.

Merchant Card Advance - In consideration for the funds advanced, the customer agrees to transfer, sell or assign to the company all of its right, title and interest in a percentage of the accounts receivables owed to the customer by its credit card processor. The accounts receivable purchase agreement includes a deposit amount representing the initial cash advanced to the customer. As monies are received, the funds are allocated to a reduction on the deposit balance, with the margin element, being the difference between the amounts lent and the amounts due to be received, recognised on a straight line basis in line with the contractual terms of the loan.

Business Term Loans - The company advances monies, for which the borrower is obligated to pay the contractual amount of principal and interest in full in accordance with the contractual terms; no early repayment discount or additional interest is provided. Interest income is recognised over the contractual term, generally twelve to fifteen months, based on a straight line basis, in line with the contractual term of the loan.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- Over the period of the lease
Fixtures and fittings	- 3 years straight line

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Boost Capital Ltd

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

1 Accounting policies (continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

Leasing

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

Trade debtors

Trade debtors are valued at cost less any amounts written off and specific or general provisions.

Trade debtors are written off to the extent that there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired loans and advances to their expected realisable value. General provisions are made on the basis of past experience, current economic conditions and other relevant factors, to provide for losses shown from experience to exist but not yet specifically identified.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating loss

	2015 £	2014 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	13,344	11,199
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	35,000	25,000
Non-audit fees	2,150	2,000
Interest paid to group companies	167,478	257,751

Included in cost of sales is a bad debt expense of £1,397,849 (2014 - £979,000), and interest paid to group companies of £167,478 (2014 - £257,751).

Boost Capital Ltd

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

4 Directors' remuneration

No director received any emoluments during the current year (2014 - £Nil). All directors are remunerated by the parent company in the current and previous year.

5 Taxation on loss on ordinary activities

The company has estimated trading losses of £2,236,915 (2014 - £1,285,661) available to carry forward against future trading profits. Having considered the forecasts of the business, the directors have a degree of uncertainty that the business will generate sufficient future taxable profits in order to fully utilise the losses carried forward and therefore have not recognised a deferred tax asset accordingly.

6 Tangible fixed assets

	Leasehold Improvements £	Plant and machinery etc £	Total £
<i>Cost or valuation</i>			
At 1 January 2015	1,920	41,845	43,765
Additions	-	2,131	2,131
	1,920	43,976	45,896
At 31 December 2015	1,920	43,976	45,896
<i>Depreciation</i>			
At 1 January 2015	-	26,130	26,130
Provided for the year	-	13,344	13,344
	-	39,474	39,474
At 31 December 2015	-	39,474	39,474
<i>Net book value</i>			
At 31 December 2015	1,920	4,502	6,422
At 31 December 2014	1,920	15,715	17,635

Boost Capital Ltd

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

7 Debtors

	2015 £	2014 £
Trade debtors	4,439,211	2,979,086
Other debtors	158,353	110,528
	4,597,564	3,089,614
	4,597,564	3,089,614

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

Trade debtors is stated net of general provision of £217,650 (2014 - £156,436).

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	90,595	44,514
Taxation and social security	23,961	11,986
Other creditors	37,150	29,259
	151,706	85,759
	151,706	85,759

9 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	7,398,482	5,429,394
	7,398,482	5,429,394
	7,398,482	5,429,394

10 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100
	100	100
	100	100

Boost Capital Ltd

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

11 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2015 £	2014 £
Operating leases which expire:		
Within one year	33,374	33,374
In two to five years	-	33,374
	<u>33,374</u>	<u>66,748</u>

12 Related party disclosures

During the year the company was charged an amount of £Nil (2014 - £201,089) by BFS Capital Inc, the entities parent company, for expenses incurred on their behalf. Intercompany interest charges are disclosed in note 3 of the financial statements. At the balance sheet date an amount of £7,398,482 (2014 - £5,429,394) was due to BFS Capital Inc.

13 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.

14 Post balance sheet events

On 23 June 2015 the company entered into an agreement for a loan amounting to £700,000 from a third party as an additional form of financing. This short term loan is designed to enable the company to continue with its operations until a source of new external financing is obtained.