

Company Registration No. 06562273 (England and Wales)

BOILER ROOM (UK) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

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BOILER ROOM (UK) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	2	157,166		-	
Tangible assets	3	87,005		66,253	
Investments	4	2		2	
		<u>244,173</u>		<u>66,255</u>	
Current assets					
Debtors	5	3,419,156		265,877	
Cash at bank and in hand		2,031,877		1,851,535	
		<u>5,451,033</u>		<u>2,117,412</u>	
Creditors: amounts falling due within one year	6	(966,145)		(399,893)	
Net current assets		<u>4,484,888</u>		<u>1,717,519</u>	
Total assets less current liabilities		<u>4,729,061</u>		<u>1,783,774</u>	
Creditors: amounts falling due after more than one year	7	-		(1,000,000)	
Net assets		<u><u>4,729,061</u></u>		<u><u>783,774</u></u>	
Capital and reserves					
Called up share capital	8	125		101	
Share premium account		5,594,146		1,779,609	
Capital redemption reserve		5,622		5,622	
Profit and loss reserves		(870,832)		(1,001,558)	
Total equity		<u><u>4,729,061</u></u>		<u><u>783,774</u></u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

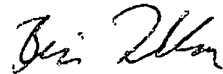
BOILER ROOM (UK) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

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

The financial statements were approved by the board of directors and authorised for issue on 29/9/17 and are signed on its behalf by:



B Bellville
Director

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Boiler Room (UK) Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is Markian House, 52-56 Pritchards Road, London, E2 9AP.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Boiler Room (UK) Limited prepared in accordance with FRS 102. The financial statements of Boiler Room (UK) Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Turnover

Turnover represents amounts receivable for streaming live music performances online, net of VAT. Income is recognised on the date it becomes unconditional on future performance.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Product development	25% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 creditors, 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.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Intangible fixed assets

	Product development £
Cost	
Additions	209,555
At 31 December 2016	209,555
Amortisation and impairment	
Amortisation charged for the year	52,389
At 31 December 2016	52,389
Carrying amount	
At 31 December 2016	157,166
At 31 December 2015	-

In the statement of comprehensive income the amortisation of intangible assets is included in administrative expenses.

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	166,914
Additions	83,307
At 31 December 2016	250,221
Depreciation and impairment	
At 1 January 2016	100,661
Depreciation charged in the year	62,555
At 31 December 2016	163,216
Carrying amount	
At 31 December 2016	87,005
At 31 December 2015	66,253

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Fixed asset investments

	2016 £	2015 £
Investments	2	2

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	2
Carrying amount	
At 31 December 2016	2
At 31 December 2015	2

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,679,350	166,256
Corporation tax recoverable	21,737	-
Amounts owed by group undertakings	1,250,127	-
Other debtors	467,942	99,621
	3,419,156	265,877

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	261,599	122,123
Other taxation and social security	109,818	49,246
Other creditors	594,728	228,524
	966,145	399,893

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other creditors	-	1,000,000

A written resolution was passed on 25 November 2015 authorising the company to exercise the right to convert any security into shares pursuant to a convertible loan note with Connect Ventures Two LP for an unsecured loan in the amount of £1,000,000. The loan bore interest at 5% per annum accruing on a daily basis. The outstanding loan has been converted into 565 fully paid A1 Ordinary shares during 2016.

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
0 (2015: 5455) X Ordinary shares of 1p each	-	55
0 (2015: 1259) Y Ordinary shares of 1p each	-	13
0 (2015: 210) A Ordinary shares of 1p each	-	2
3,002 (2015: 1468) A1 Ordinary (2015: C Ordinary) shares of 1p each	30	15
2,119 (2015: 1618) A2 Ordinary (2015: D Ordinary) shares of 1p each	21	16
400 (2015: 0) B Ordinary shares of 1p each	4	-
6,924 (2015: 0) Ordinary shares of 1p each	70	-
	<u>125</u>	<u>101</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up) and no rights of redemption.

The A1 Ordinary, A2 Ordinary and B Ordinary shares have attached to them full voting, dividend and preferential capital distribution rights (including on winding up) and no rights of redemption.

The A Ordinary shares had attached to them no voting rights and full rights to participation and distribution.

The C Ordinary and D Ordinary shares had attached to them the right of one vote per share, rights to dividends pro rata to shareholding and rights to return of capital.

The X Ordinary and Y Ordinary shares had attached to them full voting, participation, distribution, dividend and capital rights.

During the year all issued X Ordinary, Y Ordinary and A Ordinary shares were converted to Ordinary shares.

During the year the following shares were issued for cash:

- 501 A2 Ordinary shares at a premium of £1,764.84 per share;
- 969 A1 Ordinary shares at a premium of £1,988.44 per share;
- 400 Ordinary shares at a premium of £7.49 per share.

The £1,000,000 convertible loan note was converted into 565 A1 Ordinary shares, of 1p each with a premium of £1,769.90 per share.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Related party transactions

Included in other creditors within one year is a loan of £nil (2015: £35,822) received from Vice Holding Inc., a company incorporated in the United States of America and having an interest in the company. The interest paid during the year was £41 (2015: £13,427).

The Company has taken advantage of the exemption under FRS 102 Section 33 Related Parties not to disclose transactions with other wholly owned group companies.

10 Parent company

The ultimate controlling party is B Bellville, the director, by virtue of his shareholding.