

Company Registration No. 06562273 (England and Wales)

BOILER ROOM (UK) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR



BOILER ROOM (UK) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|--------------------|---------------------|--------------------|---------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 21,142 | | 60,389 |
| Investments | 5 | | 2 | | 2 |
| | | | <u>21,144</u> | | <u>60,391</u> |
| Current assets | | | | | |
| Stocks | | 73,511 | | 41,425 | |
| Debtors | 6 | 899,546 | | 2,030,454 | |
| Cash at bank and in hand | | 323,300 | | 286,689 | |
| | | <u>1,296,357</u> | | <u>2,358,568</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(4,262,864)</u> | | <u>(4,149,540)</u> | |
| Net current liabilities | | | <u>(2,966,507)</u> | | <u>(1,790,972)</u> |
| Total assets less current liabilities | | | <u>(2,945,363)</u> | | <u>(1,730,581)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 135 | | 133 |
| Share premium account | | | 8,926,614 | | 8,924,957 |
| Capital redemption reserve | | | 5,622 | | 5,622 |
| Profit and loss reserves | | | <u>(11,877,734)</u> | | <u>(10,661,293)</u> |
| Total equity | | | <u>(2,945,363)</u> | | <u>(1,730,581)</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 2020 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 Companies Act 2006 with respect to accounting records and the preparation of financial statements.

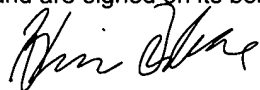
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

BOILER ROOM (UK) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on16.06.21
and are signed on its behalf by:



.....
B Bellville
Director

BOILER ROOM (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Share capital £ | Share premium account £ | Capital redemption reserve £ | Profit and loss reserves £ | Total £ |
|--|-------|--------------------|----------------------------|---------------------------------|-------------------------------|-------------|
| Balance at 1 January 2019 | | 127 | 5,594,984 | 5,622 | (9,361,637) | (3,760,904) |
| Year ended 31 December 2019: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (1,299,656) | (1,299,656) |
| Issue of share capital | 9 | 6 | 3,329,973 | - | - | 3,329,979 |
| Balance at 31 December 2019 | | 133 | 8,924,957 | 5,622 | (10,661,293) | (1,730,581) |
| Year ended 31 December 2020: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (1,216,441) | (1,216,441) |
| Issue of share capital | 9 | 2 | 1,657 | - | - | 1,659 |
| Balance at 31 December 2020 | | 135 | 8,926,614 | 5,622 | (11,877,734) | (2,945,363) |

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Boiler Room (UK) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Elsley Court, 20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE.

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.

Basis of consolidation

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company made a loss of £1,216,441 (2019: £1,299,656) and had net current liabilities of £2,966,507 (2019: £1,790,972).

The COVID-19 pandemic has had impacted the business with significant disruption to our schedule of events, with no in person events possible from March 2020 until the end of the year. Since the balance sheet date, live events have remained disrupted with events expected from July 2021 onwards. The business is building a strong calendar of events for the second half of 2021 and throughout 2022 and developing a strong and qualified pipeline of prospective brand partners to ensure the business remains positioned to continue on its pathway to profitability in 2021.

Additionally, we have been extremely well supported by our existing brand partners by, where possible, moving activity online or without an audience combined with several initiatives to support the artists, collectives and communities we work with who remain at the core of who we are.

The company was also grateful to receive £0.8m from Arts Council England as part of the Culture Recovery Fund, set up to support cultural organisations and event businesses impacted by COVID-19. The funding supported the ongoing operations of the business between October 2020 and March 2021, a period when due to various restrictions the company was unable to carry out its normal activities. The company's preparedness to run events from July 2021 is substantially due to this grant and the support from our brand partners.

Despite the ongoing uncertainty, the prospect of events being possible from July 2021, alongside the continued engagement of artists and communities, the support of our partners, and utilising government support where available the directors believe there remains exciting opportunity for the company. Therefore, having considered the ability to meet liabilities of the business as they fall due, the directors conclude the company is well placed to weather the current social, political and economic headwinds. The directors have prepared forecasts for at least a 12 month period from the date of signing the accounts, and accordingly, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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.

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 |
|---------------------|-------------------|

Tangible fixed assets

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

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 |
|-----------------------|-------------------|

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 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.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

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.

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.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

Equity instruments

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

Taxation

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 date.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2020 Number | 2019 Number |
|-------|----------------|----------------|
| Total | 42 | 58 |

3 Directors' remuneration

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| Remuneration paid to directors | 140,064 | 155,616 |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Tangible fixed assets

| | Plant and machinery etc £ |
|------------------------------------|------------------------------------|
| Cost | |
| At 1 January 2020 | 261,819 |
| Additions | 2,079 |
| | <hr/> |
| At 31 December 2020 | 263,898 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 January 2020 | 201,430 |
| Depreciation charged in the year | 41,326 |
| | <hr/> |
| At 31 December 2020 | 242,756 |
| | <hr/> |
| Carrying amount | |
| At 31 December 2020 | 21,142 |
| | <hr/> |
| At 31 December 2019 | 60,389 |
| | <hr/> |

5 Fixed asset investments

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Shares in group undertakings and participating interests | 2 | 2 |
| | <hr/> | <hr/> |

Boiler Room (UK) Limited also has a 99% stake in an American partnership.

Movements in fixed asset investments

| | Shares in group undertakings £ |
|--------------------------------------|---|
| Cost or valuation | |
| At 1 January 2020 & 31 December 2020 | 2 |
| | <hr/> |
| Carrying amount | |
| At 31 December 2020 | 2 |
| | <hr/> |
| At 31 December 2019 | 2 |
| | <hr/> |

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors

| | 2020 | 2019 |
|--------------------------------------|----------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 799,187 | 1,817,439 |
| Other debtors | 100,359 | 213,015 |
| | <u>899,546</u> | <u>2,030,454</u> |

7 Creditors: amounts falling due within one year

| | Notes | 2020 | 2019 |
|------------------------------|-------|------------------|------------------|
| | | £ | £ |
| Convertible loans | 8 | 511,425 | 505,220 |
| Trade creditors | | 175,586 | 507,850 |
| Taxation and social security | | 264,904 | 446,462 |
| Other creditors | | - | 121,357 |
| Accruals and deferred income | | 3,310,949 | 2,568,651 |
| | | <u>4,262,864</u> | <u>4,149,540</u> |

8 Convertible loan notes

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Liability component of convertible loan notes | <u>511,425</u> | <u>505,220</u> |

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Statement Of Financial Position represents the effective interest rate less interest paid to that date.

The equity component of the convertible loan notes has been credited to the equity reserve.

On 11 November 2019, the company issued a convertible loan note to exercise the right to convert any security into shares with a director for an unsecured loan collectively in the amount of £500,000. The loan bears interest at 2% per annum accruing on a daily basis. At the year end, the total interest accrued was £10,055 (2019: £1,370). The convertible loan note is expected to convert in November 2021.

BOILER ROOM (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Called up share capital

| | 2020 | 2019 | 2020 | 2019 |
|--|---------------|---------------|------------|------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| A1 Ordinary shares of 1p each | 3,820 | 3,820 | 38 | 38 |
| A2 Ordinary share of 1p each | 2,119 | 2,119 | 21 | 21 |
| (2019: 610) B Ordinary shares of 1p each | 845 | 610 | 8 | 6 |
| Ordinary shares of 1p each | 6,768 | 6,768 | 68 | 68 |
| | <u>13,552</u> | <u>13,317</u> | <u>135</u> | <u>133</u> |

On 25 March 2020, 15 B Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £4.

On 30 September 2020, 220 B Ordinary shares with a nominal value of £0.01 each were issued for a total consideration of £7.27.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2020 | 2019 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 112,125 | 123,570 |
| Between one and five years | - | 261,625 |
| | <u>112,125</u> | <u>385,195</u> |

11 Related party transactions

During the prior year, the company issued a convertible loan note to exercise the right to convert any security into shares with one of the directors. The loan is unsecured and collective in the amount of £500,000 (2019: £500,000). The loan bears interest at 2% per annum accruing on a daily basis. At the year end, the total interest accrued was £10,055 (2019: £1,370).