

REGISTERED NUMBER: 07320958 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30th September 2021
for
Property Finance Capital Limited**

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Property Finance Capital Limited

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for the year ended 30th September 2021**

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Property Finance Capital Limited
Company Information
for the year ended 30th September 2021

DIRECTORS:

J Rubins
B L Rubins
S D Meller
G P Losi
M F Robinson
A H Kay

REGISTERED OFFICE:

1st Floor
Health Aid House
Marlborough Hill
Harrow
Middlesex
HA1 1UD

REGISTERED NUMBER:

07320958 (England and Wales)

AUDITORS:

Grant Harrod Lerman Davis LLP
Chartered Accountants
Statutory Auditors
1st Floor
Healthaid House
Marlborough Hill
Harrow
Middlesex
HA1 1UD

Property Finance Capital Limited

**Report of the Directors
for the year ended 30th September 2021**

The directors present their report with the financial statements of the company for the year ended 30th September 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st October 2020 to the date of this report.

J Rubins
B L Rubins
S D Meller
G P Losi
M F Robinson
A H Kay

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Grant Harrod Lerman Davis LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
S D Meller - Director

Date: 20/11/22

Report of the Independent Auditors to the Members of Property Finance Capital Limited

Opinion

We have audited the financial statements of Property Finance Capital Limited (the 'company') for the year ended 30th September 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note fifteen to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Property Finance Capital Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Property Finance Capital Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

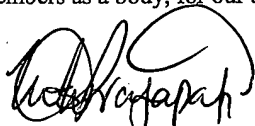
We did not identify any key audit matters relating to irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Property Finance Capital Limited**

Use of our report

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 a Report of the Auditors 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.



R Prajapati FCCA (Senior Statutory Auditor)
for and on behalf of Grant Harrod Lerman Davis LLP
Chartered Accountants
Statutory Auditors
1st Floor
Healthaid House
Marlborough Hill
Harrow
Middlesex
HA1 1UD

Date: 20/01/2022

Property Finance Capital Limited
Statement of Comprehensive
Income
for the year ended 30th September 2021

	Notes	2021 £	2020 £
TURNOVER		3,087,017	1,860,949
Cost of sales		<u>3,087,017</u>	<u>1,860,949</u>
GROSS PROFIT		-	-
Administrative expenses		<u>1,875</u>	<u>16,074</u>
		(1,875)	(16,074)
Other operating income		<u>1,875</u>	<u>16,074</u>
OPERATING PROFIT and			
PROFIT BEFORE TAXATION		-	-
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		-	-
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Property Finance Capital Limited (Registered number: 07320958)

**Balance Sheet
30th September 2021**

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	7	20,480,743	34,249,204
Cash at bank		124,594	393,383
		<u>20,605,337</u>	<u>34,642,587</u>
CREDITORS			
Amounts falling due within one year	8	19,259,527	32,129,647
		<u>1,345,810</u>	<u>2,512,940</u>
NET CURRENT ASSETS			
		<u>1,345,810</u>	<u>2,512,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,345,810	2,512,940
CREDITORS			
Amounts falling due after more than one year	9	1,318,360	2,486,140
		<u>27,450</u>	<u>26,800</u>
NET ASSETS			
		<u>27,450</u>	<u>26,800</u>
CAPITAL AND RESERVES			
Called up share capital	11	6,290	6,160
Share premium	12	21,160	20,640
		<u>27,450</u>	<u>26,800</u>
SHAREHOLDERS' FUNDS			
		<u>27,450</u>	<u>26,800</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20/11/22 and were signed on its behalf by:


.....
S D Meller - Director

The notes form part of these financial statements

Property Finance Capital Limited

**Statement of Changes in Equity
for the year ended 30th September 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st October 2019	6,010	-	20,040	26,050
Changes in equity				
Issue of share capital	150	-	600	750
Balance at 30th September 2020	6,160	-	20,640	26,800
Changes in equity				
Issue of share capital	130	-	520	650
Balance at 30th September 2021	6,290	-	21,160	27,450

The notes form part of these financial statements

Property Finance Capital Limited
Notes to the Financial Statements
for the year ended 30th September 2021

1. STATUTORY INFORMATION

Property Finance Capital Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At the balance sheet date and at the time of signing these accounts, the directors have considered the effect of the ongoing Coronavirus pandemic on the going concern position, and are satisfied that the company can continue to trade for a period of at least 12 months from the date of signing these accounts. The company has utilised government support where applicable.

The directors have revised their financial forecasts to incorporate the potential impact of the ongoing Coronavirus pandemic and they show that the company has sufficient funding available to it during the foreseeable future and for a period of at least 12 months from the date of signing the accounts.

On that basis, the directors have prepared these financial statements on a going concern basis.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Related party exemption

The Company has taken advantage of the exemption in paragraph 33.1A of FRS102 not to disclose transactions with wholly owned companies whereby a subsidiary which is a party to the transaction is wholly owned.

Turnover

Turnover represents fees and interest receivable on secured advances. Fees are recognised as services are provided and interest is recognised as it accrues over the life of advances.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial instruments are classified according to substance of the contractual arrangements entered into.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances that are receivable within one year and do not constitute a financing transaction, are recorded at the undiscounted amount expected to be received, net of impairment. Those that are receivable after more than one year or that constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised cost, net of impairment.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies which are classified as payable within one year are measured at the transaction price. Other financial liabilities, including bank loans, classified as payable in more than one year are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Property Finance Capital Limited

**Notes to the Financial Statements - continued
for the year ended 30th September 2021**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	70,000	70,000
Social security costs	8,443	8,458
	<u>78,443</u>	<u>78,458</u>

The average number of employees during the year was as follows:

	2021	2020
Staff salaries	<u>1</u>	<u>1</u>

	2021	2020
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT

The operating profit in the year for the company was £Nil (2020: £Nil)

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30th September 2021 nor for the year ended 30th September 2020.

7. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	19,087,554	31,640,867
Other debtors	-	3,791
Prepayments and accrued income	74,829	118,406
	<u>19,162,383</u>	<u>31,763,064</u>

Property Finance Capital Limited

**Notes to the Financial Statements - continued
for the year ended 30th September 2021**

7. DEBTORS - continued

	2021 £	2020 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,318,360	2,486,140
	<u>1,318,360</u>	<u>2,486,140</u>
Aggregate amounts	20,480,743	34,249,204
	<u>20,480,743</u>	<u>34,249,204</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Participants' loans	18,809,610	30,545,825
Social security and other taxes	11,160	19,629
Other creditors	363,928	1,445,787
Accrued expenses	74,829	118,406
	<u>19,259,527</u>	<u>32,129,647</u>

Included within a participants' loans are secured amounts totalling £18,809,610 (2020: £30,545,825). See note 10 for details.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Participants' loan	1,318,360	2,486,140
	<u>1,318,360</u>	<u>2,486,140</u>

Included within a participants' loans are secured amounts totalling £1,318,360 (2020: £2,486,140). See note 10 for details.

10. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Participants' loans	20,127,970	33,399,507
	<u>20,127,970</u>	<u>33,399,507</u>

The participants' loans are secured on first and second charges over advances made by Property Finance Nominees (No.3) Limited and Alternative Bridging Corporation (Cheval) Limited, who are fellow subsidiaries of Alternative Bridging Corporation Limited.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1,000	Ordinary A	£1	1,000	1,000
529	Ordinary B	£10	5,290	5,160
			<u>6,290</u>	<u>6,160</u>

Property Finance Capital Limited

**Notes to the Financial Statements - continued
for the year ended 30th September 2021**

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st October 2020	-	20,640	20,640
Profit for the year	-	-	-
Cash share issue	-	520	520
At 30th September 2021	-	21,160	21,160

13. ULTIMATE PARENT COMPANY

The ultimate controlling parent is Southern Group Limited by virtue of its controlling shareholding in Alternative Bridging Corporation Limited, the immediate parent company.

14. RELATED PARTY DISCLOSURES

The company's working capital is provided by loans from B shareholders.

At the year-end the company was owed £3,441,179 (2020: £6,465,090) from Alternative Bridging Corporation (Cheval) Limited.

Included within participants' loans are amounts of £87,850 (2020: £255,175) being loans from London and Counties Flats Ltd, a company of whom S Sharpe is a director and also a director of the immediate parent company.

15. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.