Company Registration No. 07889226 (England and Wales)

KUFLINK BRIDGING LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

KUFLINK BRIDGING LTD

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KUFLINK BRIDGING LTD

COMPANY INFORMATION

Directors	W Booth	
	S Binning	(Appointed 28 June 2017)
	S Moody	
	T Chattha	(Appointed 28 June 2017)
	N Khattoare	
Company number	07889226	
Registered office	12 Helmet Row London EC1V 3QJ	
Auditors	Leigh Carr 12 Helmet Row London EC1V 3QJ	
Business address	21 West Street Gravesend Kent DA11 0BF	
Solicitors	Forsters LLP 31 Hill Street London W1J 5LS	
Banker	Metro Bank 1 Southampton Row London WC1B 5HA	

KUFLINK BRIDGING LTD

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2017

The directors present the strategic report for the Period ended 30 June 2017.

A time of growth.

The last 18 months has been a time of substantial growth for Kuflink Bridging.

In 2015 Kuflink Bridging achieved turnover of £2.19 million which in the 18-month period 2016/17 exceeded £3.81 million. Likewise, profits increased from £713,400 in 2015 to £1.20 million in the current accounting period.

In October 2016 Kuflink Bridging achieved authorisation from the FCA, enabling us to move into the regulated lending market.

Property-backed investing

Kuflink Bridging's key activity is the provision of unregulated bridging loans for business purposes and this has been successfully carried out since inception. In addition, the company continues to attract a regular flow of inward investment from corporate investors.

As part of the strategic plans for Kuflink Bridging, Kuflink Ltd, was acquired in March 2016 for the sole purpose of facilitating Kuflink Bridging's pre-funded Bridging Loans and allow individuals and corporates to invest in the deals and earn competitive rates of interest.

Kuflink Ltd's property-backed Peer-to-Peer (P2P) platform launched in August 2016, with Kuflink Bridging lending up to 20% on each Select-Invest deal and up to 5% on Auto-Invest and ISA investments.

Awards

In acknowledgement of the innovative alternative finance model implemented by the group, and in recognition of the investment Kuflink Bridging makes towards each deal, we were delighted to win the Business Moneyfacts 'Business Product Innovation of the Year' in March 2017 and also the 'Best Specialist Finance Provider' at the Property Wire Awards in April 2017.

Raising our profile

Off the back of a successful 2015 we have spent considerable time and effort in continuing to raise the profile of the company.

As part of the strategy to raise the company's profile we have attended in excess of 10 high profile Bridging and P2P events, including the prestigious NACFB and Finance Professional Shows, as well as continuing to advertise regularly in a number of trade magazines targeted at brokers. We also manage a regular email programme to brokers.

We work closely with our PR agency to secure articles in the trade press and also thought leadership pieces appropriate to the industry.

Behind everything we do there has always been a clear vision and plan and that has been to grow the bridging business. We want to operate at the top end of this market.

IT Infrastructure

Due to the continued expansion of the company, the IT Team has built a bespoke CRM system enabling the business to be more effective and efficient. We will continue to scale the system as the business continues to grow.

Attracting local talent

At the start of 2016 the group employed some eight people, and by the end of June 2017 this had grown to 40 in support of the continued expansion. The appeal of the company is such that we have been very successful in recruiting the majority of staff from high street banks and other professional services companies.

Over the past 18 months the group has grown significantly and to support this we now employ four full-time Underwriters up from one in January 2016, enabling us to conduct enhanced due diligence to ensure that we are funding the right deals and protecting the Kuflink Bridging investors. In addition, we have recruited three new Case Managers to manage the number of enquiries we continue to receive.

We are proud of our low attrition rates and of the talent we have attracted over time. Recruiting, retaining and developing our people is what makes Kuflink the company it is.

We have ambitious plans and our people are the bedrock to delivering this to our different audiences and driving the business forward. Our size enables us to be nimble and react quickly to changes in the market.

Welcoming regulation

In addition to our own compliance and monitoring team, we also work with an external compliance company who are well known to the Prudential Regulation Authority and the Financial Conduct Authority.

Additionally, we have partnered with external agencies Experian and Cifas part of our Risk Management Strategy to deliver a first-class service.

The FCA authorisation in October 2016 provided the company with the ability to provider consumer buy-to-let lending.

We are active members of the NACFB and the Association of Short Term Lenders.

The outlook

With the banks continuing to reign in lending and with the ultra-low interest environment, we continue to see strong demand for Bridging finance as well as inward investment into Kuflink Bridging and we expect this situation will continue.

Whilst we see turbulent headwinds ahead, we can take advantage of this given our prudent lending criteria.

There are a number of ground-breaking projects which we will deliver in the next 12 months, including:

- The purchase of a company from a bank to allow us to offer 1st Charge Residential bridging finance
- SME financing
- Mezzine finance

To support these changes, we are planning to introduce new complementary technology.

Finally, it is the support from brokers and our investors to our competitive products and service over the last 18 months gives us confidence in the changes we propose to bring to the market in the coming year.

On behalf of the board

S Moody
Director
4 September 2017

The directors present their annual report and financial statements for the Period ended 30 June 2017.

Principal activities
The principal activity of the business continues to be the provision of secured short term bridging finance facilities.

Directors
The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

K Hillen	(Resigned 26 May 2016)
W Booth	
M Binning	(Resigned 30 June 2016)
S Moody	
B Thind	(Resigned 30 June 2016)
N Khattoare	
T Garcha	(Appointed 26 May 2016 and resigned 28 June 2017)
T Chattha	(Appointed 28 June 2017)
S Binning	(Appointed 28 June 2017)

Results and dividends
The results for the Period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor
The auditor, Leigh Carr, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S Moody
Director
4 September 2017

KUFLINK BRIDGING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KUFLINK BRIDGING LTD

We have audited the financial statements of Kuflink Bridging Ltd for the Period ended 30 June 2017 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2017 and of its profit for the Period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial Period for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report and the Directors' Report.

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.

Ralph de Souza (Senior Statutory Auditor)
for and on behalf of Leigh Carr

5 September 2017

Chartered Accountants
Statutory Auditor

12 Helmet Row
London
EC1V 3QJ

KUFLINK BRIDGING LTD

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	Period ended 31 December 2017 £	Year ended 31 December 2015 £
Turnover	3	3,814,432	2,187,265
Cost of sales		(1,184,786)	(431,996)
Gross profit		2,629,646	1,755,269
Administrative expenses		(1,426,720)	(1,041,843)
Operating profit	4	1,202,926	713,426
Interest receivable and similar income	7	-	2
Interest payable and similar expenses	8	(108)	-
Profit before taxation		1,202,818	713,428
Taxation	9	(82,099)	(147,724)
Profit for the financial Period		1,120,719	565,704

The profit and loss account has been prepared on the basis that all operations are continuing operations.

KUFLINK BRIDGING LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2017

	Period ended 31 December 2017 £	Year ended 31 December 2015 £
Profit for the Period	1,120,719	565,704
Other comprehensive income	-	-
Total comprehensive income for the Period	1,120,719	565,704

KUFLINK BRIDGING LTD

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	2017 £	2015 £	2015 £
Fixed assets					
Tangible assets	10		183,274		25,447
Current assets					
Debtors	12	14,510,591		8,652,652	
Cash at bank and in hand		883,535		676,823	
		15,394,126		9,329,475	
Creditors: amounts falling due within one year	13	(6,860,883)		(4,707,531)	
Net current assets			8,533,243		4,621,944
Total assets less current liabilities			8,716,517		4,647,391
Creditors: amounts falling due after more than one year	14		(3,770,512)		(853,671)
Provisions for liabilities	16		(36,655)		(5,089)
Net assets			4,909,350		3,788,631
Capital and reserves					
Called up share capital	18		1,570		1,570
Share premium account			2,438,976		2,438,976
Profit and loss reserves			2,468,804		1,348,085
Total equity			4,909,350		3,788,631

The financial statements were approved by the board of directors and authorised for issue on 4 September 2017 and are signed on its behalf by:

S Moody
Director

Company Registration No. 07889226

KUFLINK BRIDGING LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,502	1,071,394	782,381	1,855,277
Period ended 31 December 2015:					
Profit and total comprehensive income for the period		-	-	565,704	565,704
Issue of share capital	**18**	68	1,367,582	-	1,367,650
Balance at 31 December 2015		1,570	2,438,976	1,348,085	3,788,631
Period ended 30 June 2017:					
Profit and total comprehensive income for the period		-	-	1,120,719	1,120,719
Balance at 30 June 2017		1,570	2,438,976	2,468,804	4,909,350

KUFLINK BRIDGING LTD

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	2017		2015	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	24		(2,689,469)		(2,875,898)
Interest paid			(108)		-
Income taxes paid			(138,666)		(135,635)
Net cash outflow from operating activities			(2,828,243)		(3,011,533)
Investing activities					
Purchase of tangible fixed assets		(194,366)		(23,160)	
Interest received		-		2	
Net cash used in investing activities			(194,366)		(23,158)
Financing activities					
Proceeds from issue of shares		-		1,367,650	
Repayment of borrowings		3,229,322		1,689,503	
Net cash generated from financing activities			3,229,322		3,057,153
Net increase in cash and cash equivalents			206,713		22,462
Cash and cash equivalents at beginning of Period			676,823		654,362
Cash and cash equivalents at end of Period			883,536		676,824

1 Accounting policies

Company information

Kuflink Bridging Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 12 Helmet Row, London, EC1V 3QJ.

1.1 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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 *Going concern*

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 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.

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:

Land and buildings Leasehold	25 percent reducing balance
Fixtures, fittings & equipment	25 percent reducing balance

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.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 in the company's balance sheet 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 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 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.

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, 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.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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 original effective interest rate. The impairment loss is recognised in profit or loss.

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 profit or loss.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including 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. 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 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.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2015
	£	£
Turnover		
Continuing operations	3,814,432	2,187,265

Other significant revenue		
Interest income	-	2

Turnover analysed by geographical market

	2017	2015
	£	£
United Kingdom	3,814,432	2,187,265

4 Operating profit

	2017	2015
Operating profit for the period is stated after charging/(crediting):	£	£
Exchange losses	956	-
Fees payable to the company's auditor for the audit of the company's financial statements	36,000	14,940
Depreciation of owned tangible fixed assets	36,540	9,190
Operating lease charges	95,521	156,323

5 Employees

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

	2017	2015
	Number	Number
	39	14

Their aggregate remuneration comprised:

	2017	2015
	£	£
Wages and salaries	415,664	353,421
Social security costs	25,976	26,161
	441,640	379,582

6 Directors' remuneration

	2017	2015
	£	£
Remuneration for qualifying services	168,445	196,800

7 Interest receivable and similar income

	2017	2015
	£	£
Interest income		
Interest on bank deposits	-	2

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	2

8 Interest payable and similar expenses

	2017	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	108	-

9 Taxation

	2017	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	54,502	142,635
Adjustments in respect of prior periods	(3,969)	-
Total current tax	50,533	142,635
Deferred tax		
Origination and reversal of timing differences	31,566	5,089
Total tax charge	82,099	147,724

9 Taxation (Continued)

The actual charge for the Period can be reconciled to the expected charge for the Period based on the profit or loss and the standard rate of tax as follows:

	2017	2015
	£	£
Profit before taxation	1,202,818	713,428
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.71%)	240,564	147,724
Adjustments in respect of prior years	(3,969)	-
Group relief	(186,062)	-
Deferred tax	31,566	-
Taxation for the period	82,099	147,724

10 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2016	-	44,030	44,030
Additions	178,723	15,643	194,366
At 30 June 2017	178,723	59,673	238,396
Depreciation and impairment			
At 1 January 2016	-	18,582	18,582
Depreciation charged in the Period	19,333	17,207	36,540
At 30 June 2017	19,333	35,789	55,122
Carrying amount			
At 30 June 2017	159,390	23,884	183,274
At 31 December 2015	-	25,447	25,447

11 Financial instruments

	2017	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	14,376,866	8,590,186
Carrying amount of financial liabilities		
Measured at amortised cost	10,552,912	5,418,567

12 Debtors

Amounts falling due within one year:	2017 £	2015 £
Trade debtors	12,561,958	8,539,860
Other debtors	1,814,908	50,326
Prepayments and accrued income	133,725	62,466
	14,510,591	8,652,652

13 Creditors: amounts falling due within one year

	Notes	2017 £	2015 £
Other borrowings	15	4,591,514	4,279,033
Trade creditors		51,495	34,491
Amounts due to group undertakings		2,064,309	235,609
Corporation tax		54,502	142,635
Other taxation and social security		23,981	-
Other creditors		-	372
Accruals and deferred income		75,082	15,391
		6,860,883	4,707,531

14 Creditors: amounts falling due after more than one year

	Notes	2017 £	2015 £
Other borrowings	15	3,770,512	853,671

15 Loans and overdrafts

	2017 £	2015 £
Other loans	8,362,026	5,132,704
Payable within one year	4,591,514	4,279,033
Payable after one year	3,770,512	853,671

16 Provisions for liabilities

	Notes	2017 £	2015 £
Deferred tax liabilities	17	36,655	5,089
		36,655	5,089

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2017 £	Liabilities 2015 £
ACAs	36,655	5,089

There were no deferred tax movements in the Period.

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

18 Share capital

	2017 £	2015 £
Ordinary share capital		
Issued and fully paid		
10,500,000 Ordinary 'A' shares of 0.0001p each	1,050	1,050
5,208,825 Ordinary 'B' shares of 0.0001p each	520	520
	1,570	1,570

19 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:

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:

	2017 £	2015 £
Within one year	48,000	58,800

20 Events after the reporting date

Following the year end the company declared and paid a dividend of £1 million to its 100% holding members, Kuflink Group Plc.

21 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, who are also directors, is as follows.

	2017	2015
	£	£
Aggregate compensation	142,301	266,098

G Binning an employee, is a shareholder of Cashin My Car Limited which was paid nil (2015: £13,000).

J Bungar an employee, is a director of Prestige Kent Limited which was paid nil (2015: £26,826).

A Singh an employee, was director of AV and Networking Repairs Ltd which was paid £56,550.

Related parties who have made commercial loans to the company are M Moody wife of director S Moody £130,000 (2015: £200,000), A Khattoare wife of director N Khattoare £14,261 (2015: £17,000), G Binning an employee nil (2015: £6,194), and T Garcha an employee nil (2015: £20,000)

22 Directors' transactions

During the year director fees were paid to; W Booth £17,544 (2015: £23,300), K Hillen £3,664 (2015: £29,500), and director remunerations were paid to; N Khattoare £86,414 (2015: £50,750), S Moody £57,622 (2015: £50,750), T Chattha £73,237 and S Binning £62,901.

Appscatter Limited in which W Booth is a director, owes £204,042 to the company.

Alpha Medical Renovation Limited in which S Binning is director, was paid £190,830 by the company.

The Alpha Foundation, a charity in which T Chattha is a trustee received donation of £31,000 (2015: £27,600) from the company.

23 Controlling party

The parent company of Kuflink Bridging Ltd is Kuflink Group Plc.

24 Cash generated from operations

	2017	2015
	£	£
Profit for the Period after tax	1,120,719	565,704
Adjustments for:		
Taxation charged	82,099	147,724
Finance costs	108	-
Investment income	-	(2)
Depreciation and impairment of tangible fixed assets	36,540	9,190
Movements in working capital:		
(Increase) in debtors	(5,857,939)	(3,824,822)
Increase in creditors	1,929,004	226,308
Cash absorbed by operations	(2,689,469)	(2,875,898)