

REGISTERED NUMBER: 10112558 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 September 2019
for
Alternative Bridging (UK 2) Limited**

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Alternative Bridging (UK 2) Limited

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for the year ended 30 September 2019**

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Alternative Bridging (UK 2) Limited

**Company Information
for the year ended 30 September 2019**

DIRECTORS:

S D Meller
B L Rubins
J Rubins

SECRETARY:

R J Piper

REGISTERED OFFICE:

1st Floor
Healthaid House
Marlborough Hill
Harrow
Middlesex
HA1 1UD

REGISTERED NUMBER:

10112558 (England and Wales)

AUDITORS:

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

Alternative Bridging (UK 2) Limited

Report of the Directors for the year ended 30 September 2019

The directors present their report with the financial statements of the company for the year ended 30 September 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

S D Meller
B L Rubins
J Rubins

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.

FUTURE DEVELOPMENTS

The directors draw your attention to the material uncertainties referred to in Note 2 to the accounts. These arise from losses attributable to provisions having been made for bad debts. Trade has continued in line with expectations since the year end and the directors remain hopeful that these bad debts will be recouped.

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.

Alternative Bridging (UK 2) Limited

**Report of the Directors
for the year ended 30 September 2019**

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:

A handwritten signature in black ink, appearing to be 'S D Meller', written over the text 'ON BEHALF OF THE BOARD:'.

S D Meller - Director

22 January 2020

**Report of the Independent Auditors to the Members of
Alternative Bridging (UK 2) Limited**

Opinion

We have audited the financial statements of Alternative Bridging (UK 2) Limited (the 'company') for the year ended 30 September 2019 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 30 September 2019 and of its loss 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 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements - 'Basis of preparation', which indicates that the company incurred a net loss of £846,755 during the year ended 30 September 2019 and, as at that date, the company's liabilities exceeded its total assets by £831,702. As stated in note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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
Alternative Bridging (UK 2) 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.


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.

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.

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 (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

22 January 2020

Alternative Bridging (UK 2) Limited

**Statement of Comprehensive Income
for the year ended 30 September 2019**

	Notes	2019 £	2018 £
TURNOVER		1,166,309	2,003,345
Cost of sales		<u>1,402,783</u>	<u>1,654,573</u>
GROSS (LOSS)/PROFIT		(236,474)	348,772
Administrative expenses		<u>610,281</u>	<u>226,652</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION		(846,755)	122,120
Tax on (loss)/profit	4	<u>-</u>	<u>23,012</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(846,755)	99,108
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(846,755)</u>	<u>99,108</u>

The notes form part of these financial statements

Alternative Bridging (UK 2) Limited (Registered number: 10112558)

Balance Sheet
30 September 2019

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors	6	12,305,014	17,442,132
Cash at bank		<u>590,078</u>	<u>831,026</u>
		12,895,092	18,273,158
CREDITORS			
Amounts falling due within one year	7	<u>10,246,522</u>	<u>173,245</u>
NET CURRENT ASSETS		<u>2,648,570</u>	<u>18,099,913</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,648,570	18,099,913
CREDITORS			
Amounts falling due after more than one year	8	<u>3,480,272</u>	<u>18,034,860</u>
NET (LIABILITIES)/ASSETS		<u>(831,702)</u>	<u>65,053</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Retained earnings	12	<u>(831,802)</u>	<u>64,953</u>
SHAREHOLDERS' FUNDS		<u>(831,702)</u>	<u>65,053</u>

The financial statements were approved by the Board of Directors on 22 January 2020 and were signed on its behalf by:



S D Meller - Director

The notes form part of these financial statements

Alternative Bridging (UK 2) Limited

**Statement of Changes in Equity
for the year ended 30 September 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2017	100	15,845	15,945
Changes in equity			
Dividends	-	(50,000)	(50,000)
Total comprehensive income	-	<u>99,108</u>	<u>99,108</u>
Balance at 30 September 2018	<u>100</u>	<u>64,953</u>	<u>65,053</u>
Changes in equity			
Dividends	-	(50,000)	(50,000)
Total comprehensive income	-	<u>(846,755)</u>	<u>(846,755)</u>
Balance at 30 September 2019	<u>100</u>	<u>(831,802)</u>	<u>(831,702)</u>

The notes form part of these financial statements

Alternative Bridging (UK 2) Limited

Notes to the Financial Statements for the year ended 30 September 2019

1. STATUTORY INFORMATION

Alternative Bridging (UK 2) 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.

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.

The company incurred a net loss of £846,755 during the year, and as at 30 September 2019, the company's liabilities exceeded its total assets by £831,702.

As a result there is significant uncertainty as to whether the entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business. The company is financed by loans from Property Finance Capital (No.3) Limited, which in turn are financed by B shareholders in that company. These loans are due for repayment in June 2020 and discussions have commenced with a view to extending their term. The directors believe that the company will be successful in this matter.

Accordingly, no further adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the entity not continue as a going concern. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 30 September 2019.

Financial Reporting Standard 102 - reduced disclosure exemptions

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Alternative Bridging (UK 2) Limited

Notes to the Financial Statements - continued for the year ended 30 September 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

3. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging:

	2019	2018
	£	£
Auditors' remuneration	<u>7,800</u>	<u>7,800</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	<u>-</u>	<u>23,012</u>
Tax on (loss)/profit	<u>-</u>	<u>23,012</u>

5. DIVIDENDS

	2019	2018
	£	£
Ordinary shares of £1 each		
Interim	<u>50,000</u>	<u>50,000</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Advances	12,039,775	17,054,920
Amounts owed by group undertakings	200,000	5,100
Prepayments and accrued income	<u>65,239</u>	<u>382,112</u>
	<u>12,305,014</u>	<u>17,442,132</u>

Alternative Bridging (UK 2) Limited

Notes to the Financial Statements - continued for the year ended 30 September 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	1	1
Amounts owed to group undertakings	10,196,135	105,186
Tax	-	1,030
Other creditors	42,586	59,228
Accrued expenses	<u>7,800</u>	<u>7,800</u>
	<u>10,246,522</u>	<u>173,245</u>

Included within amounts owed to group undertakings are secured amounts totalling £10,030,000 (2018: £Nil). See note 10 for details.

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

	2019 £	2018 £
Bank loans (see note 9)	3,480,272	10,174,860
Amounts owed to group undertakings	<u>-</u>	<u>7,860,000</u>
	<u>3,480,272</u>	<u>18,034,860</u>

Included within bank loans and amounts owed to group undertakings are secured amounts totalling £3,480,272 (2018: £10,174,860) and £Nil (2018: £7,860,000) respectively. See note 10 for details.

9. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,480,272</u>	<u>10,174,860</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	3,480,272	10,174,860
Amounts owed to group	<u>10,030,000</u>	<u>7,860,000</u>
	<u>13,510,272</u>	<u>18,034,860</u>

The bank loan is secured on a first charge over advances made by the company.

The amounts owed to group undertakings are secured on second charges over advances made by the company.

Alternative Bridging (UK 2) Limited

Notes to the Financial Statements - continued for the year ended 30 September 2019

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

12. RESERVES

	Retained earnings £
At 1 October 2018	64,953
Deficit for the year	(846,755)
Dividends	<u>(50,000)</u>
At 30 September 2019	<u>(831,802)</u>

13. ULTIMATE PARENT COMPANY

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

14. RELATED PARTY DISCLOSURES

During the year the company paid fees of £Nil (2018: £160,400) to Alternative Bridging Corporation (Cheval) Limited.