

**Report of the Directors and
Financial Statements for the Year Ended 30 September 2022
for
Alternative Bridging (UK 2) Limited**

**Contents of the Financial Statements
for the year ended 30 September 2022**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Alternative Bridging (UK 2) Limited

**Company Information
for the year ended 30 September 2022**

DIRECTORS:

S D Meller
B L Rubins
J Rubins
A H Kay

SECRETARY:

Ms L Sivasubramanian

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

**Report of the Directors
for the year ended 30 September 2022**

The directors present their report with the financial statements of the company for the year ended 30 September 2022.

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 significant bad provisions having been made in previous years. Trade has continued in line with expectations since the year end and the directors remain hopeful that the bad debts provisions remain sufficient.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

S D Meller
B L Rubins
J Rubins
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.

**Report of the Directors
for the year ended 30 September 2022**

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 H Kay - Director

15 February 2023

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 2022 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 2022 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 fourteen 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements - 'Basis of preparation', which indicates that the company generated a net profit of £372,420 during the year ended 30 September 2022. Nonetheless, as at that date the company's liabilities exceeded its total assets by £573,554. These circumstances set out 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 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
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.

Report of the Independent Auditors to the Members of Alternative Bridging (UK 2) 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 legislation's; 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
Alternative Bridging (UK 2) 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

15 February 2023

**Statement of Comprehensive
Income
for the year ended 30 September 2022**

	Notes	2022 £	2021 £
TURNOVER		474,542	835,782
Cost of sales		<u>(93,061)</u>	<u>(527,892)</u>
GROSS PROFIT		381,481	307,890
Administrative expenses		<u>(9,061)</u>	<u>(8,490)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		372,420	299,400
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		372,420	299,400
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>372,420</u>	<u>299,400</u>

The notes form part of these financial statements

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

**Balance Sheet
30 September 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	6	-	50
CURRENT ASSETS			
Debtors	7	1,906,072	4,925,286
Cash at bank		205,694	1,950,261
		<u>2,111,766</u>	<u>6,875,547</u>
CREDITORS			
Amounts falling due within one year	8	<u>(2,685,320)</u>	<u>(7,821,571)</u>
NET CURRENT LIABILITIES		<u>(573,554)</u>	<u>(946,024)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(573,554)</u>	<u>(945,974)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Retained earnings	12	<u>(573,654)</u>	<u>(946,074)</u>
SHAREHOLDERS' FUNDS		<u>(573,554)</u>	<u>(945,974)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 February 2023 and were signed on its behalf by:

A H Kay - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the year ended 30 September 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2020	100	(1,245,474)	(1,245,374)
Changes in equity			
Total comprehensive income	-	299,400	299,400
Balance at 30 September 2021	100	(946,074)	(945,974)
Changes in equity			
Total comprehensive income	-	372,420	372,420
Balance at 30 September 2022	100	(573,654)	(573,554)

**Notes to the Financial Statements
for the year ended 30 September 2022**

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 generated a net profit of £372,420 during the year, although as at 30 September 2022, the company's liabilities exceeded its total assets by £573,554.

There continues to be 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. Partial redemptions are being made in line with advances made by the company being redeemed.

Accordingly, no 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 2022.

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 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.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

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.

Notes to the Financial Statements - continued
for the year ended 30 September 2022

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.

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.

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.

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. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Auditors' remuneration	<u>9,000</u>	<u>8,400</u>

Notes to the Financial Statements - continued
for the year ended 30 September 2022

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 September 2022 nor for the year ended 30 September 2021.

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2021	50
Disposals	(50)
At 30 September 2022	-
NET BOOK VALUE	
At 30 September 2022	-
At 30 September 2021	50

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Advances	1,888,342	4,853,887
Amounts owed by group undertakings	100	100
Other debtors	-	26,615
Tax	-	25,000
Prepayments and accrued income	17,630	19,684
	<u>1,906,072</u>	<u>4,925,286</u>

Advances are secured on UK property and the company has recognised a provision for doubtful debts against individual loans where there is evidence to suggest that the value of the underlying security is lower than the balance outstanding. During the year provisions of £Nil (2021: £11,764) were made in respect of loans which had redeemed during the year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 9)	-	2,710,012
Amounts owed to group undertakings	2,676,321	5,090,150
Other creditors	(1)	13,009
Accrued expenses	9,000	8,400
	<u>2,685,320</u>	<u>7,821,571</u>

Included within amounts owed to group undertakings are secured amounts totalling £2,676,321 (2021: £5,090,100). See note 10 for details.

Included within bank loans are secured amounts totalling £Nil (2021: £2,710,012). See note 10 for details.

Notes to the Financial Statements - continued
for the year ended 30 September 2022

9. **LOANS**

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	-	2,710,012

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	-	2,710,012
Amounts owed to group	2,676,321	5,090,100
	<u>2,676,321</u>	<u>7,800,112</u>

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

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

12. **RESERVES**

	Retained earnings £
At 1 October 2021	(946,074)
Profit for the year	372,420
At 30 September 2022	<u>(573,654)</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. **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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.