

Alpha Real Capital Services Ltd

Report and Financial Statements

Year Ended

31 March 2019

Company number 10303461

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Alpha Real Capital Services Ltd

Annual report and financial statements for the year ended 31 March 2019

Contents

Page:

1	Officers and professional advisers
2	Directors' report
4	Directors' responsibilities
5	Independent auditor's report
8	Income statement
9	Statement of financial position
10	Statement of changes in equity
11	Notes to the financial statements

Alpha Real Capital Services Ltd

Officers and professional advisers

Director

Mr D P McNamara

Company Secretary

Alpha Real Capital LLP

Registered office

6th Floor
338 Euston Road
London
NW1 3BG

Company number

10303461

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Alpha Real Capital Services Ltd

Directors' report for the year ended 31 March 2019

The directors present their report together with the audited financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of Alpha Real Capital Services Limited (the "Company") is to provide general management services.

Results

The loss for the year was £346,789 (2018: £942). The directors do not recommend payment of a dividend (2018: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements are as follows:

	Appointed	Resigned
Mr C J Martin	16 April 2018	23 August 2018
Mr D P McNamara	15 February 2018	

Principal risks and uncertainties

The directors are responsible for determining the level of risk acceptable to the Company. This is subject to regular review.

The directors believe the principal risks facing the Company are as follows:

- Credit risk – the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion.
- Market risk – the risk of loss that arises from adverse movements in commercial real estate values.

The directors seek to mitigate risks through the application of strict controls and a monitoring process at the operational level of cash flows.

Charitable donations

No charitable or political contributions were made during the year (2018: £nil).

Creditor payment terms

It is Company policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

Going concern

These financial statements have been prepared on a going concern basis as the parent company, Alpha Real Capital LLP, has confirmed that it will continue to provide financial support for the Company's operations for a period of at least 12 months from the date of signing these financial statements (as stated in note 1 to these financial statements).

Alpha Real Capital Services Ltd

Directors' report for the year ended 31 March 2019 (continued)

Auditors

Each of the persons who are directors at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that they ought to have taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing its report and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

BDO LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the board of directors on 4 July 2019 and signed on its behalf by:



Mr D P McNamara
Director

4 July 2019

Alpha Real Capital Services Ltd

Directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the Directors 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 (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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records that 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.

Alpha Real Capital Services Ltd

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA REAL CAPITAL SERVICES LTD.

Opinion

We have audited the financial statements of Alpha Real Capital Services Ltd ("the Company") for the year ended 31 March 2019 which comprise Income statement, Statement of financial position, Statement of changes in equity and the 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 31 March 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 Auditor's 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report 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.

Alpha Real Capital Services Ltd

Independent auditor's report

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 and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities, 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 is 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.

Auditor's 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 an auditor's report 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Alpha Real Capital Services Ltd

Independent auditor's report

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 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.



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

4 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Alpha Real Capital Services Ltd

Income statement for the year ended 31 March 2019

	Notes	2019 £	2018 £
Turnover	3	8,085	39,250
Administrative expenses		(354,874)	(40,192)
Loss on ordinary activities before taxation	4	(346,789)	(942)
Taxation	6	-	-
Loss and total comprehensive loss for the financial year		(346,789)	(942)

The notes on pages 11 to 14 form part of these financial statements.


Alpha Real Capital Services Ltd

Statement of financial position as at 31 March 2019

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	Notes	2019 £	2018 £
Non current assets			
Investments	7	-	855
Current assets			
Debtors	8	-	290,899
Creditors: amounts falling due within one year			
Creditors	9	(346,759)	(291,724)
Net current liabilities		(346,759)	(825)
Net (liabilities)/assets		(346,759)	30
Capital and reserves			
Share capital	10	2	2
Profit and loss account		(346,761)	28
Equity shareholders' funds		(346,759)	30

The financial statements were approved by the board of directors on 4 July 2019 and signed on its behalf by:



Mr D P McNamara
Director
4 July 2019

The notes on pages 11 to 14 form part of these financial statements.

Alpha Real Capital Services Ltd

Statement of changes in equity for the year ended 31 March 2019

	Share capital £	Profit and loss account £	Total Equity £
As at 1 April 2017	2	970	972
Loss for the year	-	(942)	(942)
As at 31 March 2018	2	28	30
As at 1 April 2018	2	28	30
Loss for the year	-	(346,789)	(346,789)
As at 31 March 2019	2	(346,761)	(346,759)

The notes on pages 11 to 14 form part of these financial statements.

Alpha Real Capital Services Ltd

Notes to the financial statements for the year ended 31 March 2019

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in applying the Company's accounting policies.

In preparing these financial statements, the company has taken advantage of all disclosure exemptions conferred by FRS 102. Therefore, these financial statements do not include:

- a statement of cash flows; and
- a statement of segmental reporting

Basis of preparation – Going concern

The directors have prepared budgets, forecasts and cash flow projections for the period to 31 July 2020 which indicate that the Company will require cash funding of less than £10,000 over this period to be able to continue to trade. The Company has received a letter of support from its parent, Alpha Real Capital LLP pledging financial support up to £10,000 to cover existing and projected third party liabilities and also to not call in the existing intercompany loan unless the Company has sufficient funds to repay it. On this basis the directors believe that the Company will have sufficient funds to pay its debts as they fall due for at least 12 months following the approval of these financial statements and therefore that it is appropriate to prepare them on a going concern basis.

The following principal accounting policies have been applied:

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Disposals are recognised on unconditional exchange.

Financial assets, financial liability and equity

Financial assets, liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Expenses

All expenses are accounted for on an accruals basis.

Taxation

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

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Alpha Real Capital Services Ltd

Notes to the financial statements for the year ended 31 March 2019 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made certain estimates and judgements with regards the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The directors have made the following judgements:

Investments

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of the investments at fair value through the profit and loss. Fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Recoverability of receivables:

The Partnership establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Partnership considers factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers.

3 Turnover

	2019 £	2018 £
Turnover consists of:		
Fee Income	<u>8,085</u>	<u>39,250</u>

4 Operating loss

	2019 £	2018 £
This has been arrived at after charging:		
Auditor's remuneration – audit services	1,645	3,000
Taxation service fees	200	1,000
Provision against amount due from related party	345,906	-

5 Directors' remuneration and employees

The remuneration of the highest paid director was £nil (2018: £nil) and the pension costs were £nil (2018: £nil). There were no persons employed during the year. (2018: 0)

Alpha Real Capital Services Ltd

Notes to the financial statements for the year ended 31 March 2019 (continued)

6 Taxation on profit on ordinary activities

	2019 £	2018 £
Current tax charge for the year	-	-

The current year tax charge differs from the standard rate for the reasons set out in the following reconciliation:

	2019 £	2018 £
Loss on ordinary activities before tax	(346,789)	(942)
Tax charge on loss on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	(65,890)	(179)
Factors affecting charge:		
- losses carried forward	168	179
- costs not allowable for tax	65,722	-
Current tax charge for the year	-	-

7 Investments

	2019 £	2018 £
Non current:		
Investments in subsidiary	855	855
Impairment of investments in subsidiary	(855)	-
	-	855

The investment in subsidiary represents 100% of the share capital and voting rights of Alpha Real Capital France SARL, a property management services company incorporated in France.

8 Debtors

	2019 £	2018 £
Prepayments and accrued income	-	13,450
Amount due from related party	-	277,449
	-	290,899

All amounts shown under debtors fall due within one year.

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Amount due to related party	342,342	289,224
Accruals and deferred income	2,800	2,500
Other taxes and social security costs	1,617	-
	346,759	291,724

Alpha Real Capital Services Ltd

Notes to the financial statements for the year ended 31 March 2019 (*continued*)

10 Called up share capital

	2019 £	2018 £
Authorised: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Called up, allotted and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11 Commitments under operating leases

The Company had no annual commitments under non-cancellable operating leases at 31 March 2019 (2018: £nil).

12 Ultimate controlling party

The Company is incorporated in the United Kingdom and is a wholly owned subsidiary of Alpha Real Capital LLP ("ARC"), a Limited Liability Partnership registered in the United Kingdom. ARC is considered to be the controlling party of the Company at the balance sheet date. The ultimate controlling party is considered to be the designated members of Alpha Real Capital LLP.

These financial statements are included within the consolidated financial statements of Alpha Real Capital LLP which are available to the public by writing to the Chief Finance Officer at 338 Euston Road, London NW1 3BG.

13 Related party transactions

The Company has taken the exemption conferred by Section 33.1A of FRS 102 not to disclose related party transactions with wholly owned members of its group.