

REGISTERED NUMBER: 07194858 (England and Wales)

**Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 30 September 2019
for
Alternative Bridging Corporation Limited**

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Alternative Bridging Corporation Limited

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for the year ended 30 September 2019**

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Alternative Bridging Corporation Limited

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

DIRECTORS:

B L Rubins
J Rubins
S D Meller
S Sharpe
A H Kay

REGISTERED OFFICE:

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

REGISTERED NUMBER:

07194858 (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 Corporation Limited

Group Strategic Report for the year ended 30 September 2019

The directors present their strategic report of the company and the group for the year ended 30 September 2019.

The principal activity of the business is the provision of short term and development loans secured on property in the UK.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The year to September 2019 was challenging. New loan completions totalled £88.5M compared to £101.3M and redemptions, which remained healthy, totalled £119.8M, resulting in a decrease of the loan book to £86M.

The first quarter of the year was very positive, however the effect of the uncertainty regarding the outcome of Brexit negotiations began to take effect in the new year and this continued throughout most of 2019. There was a clear reduction in the volume of business being transacted through the year and together with valuations coming in below expectations, borrower reluctance to complete on new purchases resulted in increases in both processing times and aborted deals.

During the year we also experienced an increase in the level of bad debts and wrote off or provided for bad debts totalling £677,772 (2018: £270,494). Notwithstanding, the commitments to our funders have been fully maintained.

Despite the difficult operating environment, and following a detailed review of our structure and resources, management took the decision to strengthen the operating platform. We continued to invest in technology and personnel to be in a strong position to capitalise on the improvement in the market generally as Brexit uncertainties subside. This approach appears to be bearing fruit, and we have seen an increase in the level of our new loan completions during October 2019 to December 2019, with December 2019 being a record month for us.

PRINCIPAL RISKS AND UNCERTAINTIES

The uncertainties relating to Brexit which continued throughout 2019 will continue to be a key factor influencing the UK property market until the outcome of detailed negotiations concerning the future relationship with the EU are finalised.

KEY PERFORMANCE INDICATORS

	30 September 2019	30 September 2018
Turnover	£13,084,738	£14,399,782
Gross profit	£4,101,479	£4,673,853
Profit before tax	£(298,120)	£791,626
Mortgage completions	£85,508,107	£101,317,650

ON BEHALF OF THE BOARD:



S D Meller - Director

22 January 2020

Alternative Bridging Corporation Limited

Report of the Directors for the year ended 30 September 2019

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

DIVIDENDS

The total distribution of dividends during the year was £670,000 (2018: £265,000)

DIRECTORS

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

B L Rubins
J Rubins
S D Meller
S Sharpe
A H Kay

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUTURE DEVELOPMENTS

The directors draw your attention to Note 2 in the Financial Statements, and in particular to the losses arising within one subsidiary, as a result of debt provisioning. The directors can confirm that these losses do not impact in any way upon the Company. Notwithstanding this point the directors remain hopeful that these provisions will be recouped by the subsidiary within which they have arisen.

Alternative Bridging Corporation Limited

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

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 group'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 group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S D Meller', written over a horizontal line.

S D Meller - Director

22 January 2020

**Report of the Independent Auditors to the Members of
Alternative Bridging Corporation Limited**

Opinion

We have audited the financial statements of Alternative Bridging Corporation Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 30 September 2019 and of the group's 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 group 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 on consolidation a net loss of £383,649 attributable to the group occurred during the year ended 30 September 2019. As at that date consolidated liabilities exceeded total assets by £212,105. However, the liabilities giving rise to this consolidated loss will not fall upon the company, and, as a result, do not impact upon the opinion expressed in this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Alternative Bridging Corporation Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

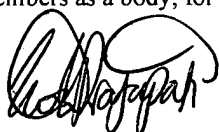
Auditors' responsibilities for the audit of the financial statements

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 Corporation Limited
Consolidated Statement of Comprehensive Income
for the year ended 30 September 2019

Notes	2019 £	2018 £
TURNOVER	13,084,738	14,399,782
Cost of sales	<u>8,983,259</u>	<u>9,725,929</u>
GROSS PROFIT	4,101,479	4,673,853
Administrative expenses	<u>4,399,599</u>	<u>3,882,227</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION	(298,120)	791,626
Tax on (loss)/profit 5	<u>(7,708)</u>	<u>156,926</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(290,412)	634,700
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(290,412)</u></u>	<u><u>634,700</u></u>
(Loss)/profit attributable to:		
Owners of the parent	(383,649)	557,715
Non-controlling interests	<u>93,237</u>	<u>76,985</u>
	<u><u>(290,412)</u></u>	<u><u>634,700</u></u>

The notes form part of these financial statements

Alternative Bridging Corporation Limited (Registered number: 07194858)

Consolidated Balance Sheet
30 September 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	55,383	117,834
Investments	10	-	-
Negative goodwill	11	<u>(27,080)</u>	<u>(24,400)</u>
		28,303	93,434
CURRENT ASSETS			
Debtors	12	86,876,564	110,901,546
Cash at bank		<u>4,907,193</u>	<u>6,734,047</u>
		91,783,757	117,635,593
CREDITORS			
Amounts falling due within one year	13	<u>28,582,757</u>	<u>56,786,567</u>
NET CURRENT ASSETS		<u>63,201,000</u>	<u>60,849,026</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		63,229,303	60,942,460
CREDITORS			
Amounts falling due after more than one year	14	(63,439,659)	(60,116,312)
PROVISIONS FOR LIABILITIES	18	<u>(1,749)</u>	<u>(9,457)</u>
NET (LIABILITIES)/ASSETS		<u>(212,105)</u>	<u>816,691</u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Retained earnings	20	<u>(272,701)</u>	<u>780,948</u>
SHAREHOLDERS' FUNDS		(272,601)	781,048
NON-CONTROLLING INTERESTS	21	<u>60,496</u>	<u>35,643</u>
TOTAL EQUITY		<u>(212,105)</u>	<u>816,691</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 Corporation Limited (Registered number: 07194858)

**Company Balance Sheet
30 September 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	54,792	116,241
Investments	10	11,610	11,610
Negative goodwill	11	-	-
		<u>66,402</u>	<u>127,851</u>
CURRENT ASSETS			
Debtors	12	855,989	693,763
Cash at bank		<u>16,940</u>	<u>20,506</u>
		872,929	714,269
CREDITORS			
Amounts falling due within one year	13	<u>502,636</u>	<u>537,536</u>
NET CURRENT ASSETS		<u>370,293</u>	<u>176,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		436,695	304,584
CREDITORS			
Amounts falling due after more than one year	14	-	(23,000)
PROVISIONS FOR LIABILITIES	18	<u>(1,749)</u>	<u>(9,457)</u>
NET ASSETS		<u>434,946</u>	<u>272,127</u>
CAPITAL AND RESERVES			
Called up share capital	19	100	100
Retained earnings	20	<u>434,846</u>	<u>272,027</u>
SHAREHOLDERS' FUNDS		<u>434,946</u>	<u>272,127</u>
Company's profit for the financial year		<u>832,819</u>	<u>216,792</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 Corporation Limited

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

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 October 2017	100	488,233	488,333	31,981	520,314
Changes in equity					
Dividends	-	(265,000)	(265,000)	(73,993)	(338,993)
Total comprehensive income	-	557,715	557,715	76,985	634,700
Issue of B shares				670	670
Balance at 30 September 2018	<u>100</u>	<u>780,948</u>	<u>781,048</u>	<u>35,643</u>	<u>816,691</u>
Changes in equity					
Dividends	-	(670,000)	(670,000)	(69,004)	(739,004)
Total comprehensive income	-	(383,649)	(383,649)	93,237	(290,412)
Issue of B shares				620	620
Balance at 30 September 2019	<u>100</u>	<u>(272,701)</u>	<u>(272,601)</u>	<u>60,496</u>	<u>(212,105)</u>

The notes form part of these financial statements

Alternative Bridging Corporation Limited

**Company 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	320,235	320,335
Changes in equity			
Dividends	-	(265,000)	(265,000)
Total comprehensive income	<u>-</u>	<u>216,792</u>	<u>216,792</u>
Balance at 30 September 2018	<u>100</u>	<u>272,027</u>	<u>272,127</u>
Changes in equity			
Dividends	-	(670,000)	(670,000)
Total comprehensive income	<u>-</u>	<u>832,819</u>	<u>832,819</u>
Balance at 30 September 2019	<u><u>100</u></u>	<u><u>434,846</u></u>	<u><u>434,946</u></u>

The notes form part of these financial statements

Alternative Bridging Corporation Limited

**Consolidated Cash Flow Statement
for the year ended 30 September 2019**

		2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	2,214,571	(17,901,302)
Tax paid		<u>(180,246)</u>	<u>(242,839)</u>
Net cash from operating activities		<u>2,034,325</u>	<u>(18,144,141)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,529)	(35,010)
Issue of shares in the group at premium		2,680	2,160
Sale of tangible fixed assets		<u>-</u>	<u>10,510</u>
Net cash from investing activities		<u>(9,849)</u>	<u>(22,340)</u>
Cash flows from financing activities			
New loans in year		-	21,836,627
Loan repayments in year		(3,239,326)	-
Amounts paid to minority interests		(69,004)	(73,993)
Preference share issue		150,000	-
Preference shares repaid		(23,000)	-
Equity dividends paid		<u>(670,000)</u>	<u>(265,000)</u>
Net cash from financing activities		<u>(3,851,330)</u>	<u>21,497,634</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,826,854)</u>	<u>3,331,153</u>
Cash and cash equivalents at beginning of year	2	<u>6,734,047</u>	<u>3,402,894</u>
Cash and cash equivalents at end of year	2	<u><u>4,907,193</u></u>	<u><u>6,734,047</u></u>

The notes form part of these financial statements

Alternative Bridging Corporation Limited

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 September 2019**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
(Loss)/profit before taxation	(298,120)	791,626
Depreciation charges	74,760	88,914
Loss/(profit) on disposal of fixed assets	<u>220</u>	<u>(6,373)</u>
	(223,140)	874,167
Decrease/(increase) in trade and other debtors	24,306,800	(11,430,315)
Decrease in trade and other creditors	<u>(21,869,089)</u>	<u>(7,345,154)</u>
Cash generated from operations	<u><u>2,214,571</u></u>	<u><u>(17,901,302)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	<u><u>4,907,193</u></u>	<u><u>6,734,047</u></u>

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	<u><u>6,734,047</u></u>	<u><u>3,402,894</u></u>

The notes form part of these financial statements

Alternative Bridging Corporation Limited

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

1. STATUTORY INFORMATION

Alternative Bridging Corporation 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 General Information page. The presentational currency is sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and are the first set of financial statements prepared under FRS 102. There are no transitional changes in accounting treatment.

The group incurred a net loss of £383,649 during the year and, as at 30 September 2019, consolidated liabilities exceeded total assets by £212,105. The losses arose within one particular subsidiary, and restrict that subsidiary's ability to pay its liabilities in full. Those liabilities do not fall upon the group and as a result, do not diminish the company's ability to settle its liabilities in full. Accordingly, the directors believe it appropriate to continue preparing the accounts on a going concern basis.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 September 2019. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the lease term
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 Corporation Limited

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

2. ACCOUNTING POLICIES - continued

Current and 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Fixed asset investments

Fixed asset investments are recorded at cost less provision for diminution.

Interest payable

Interest payable is recognised as it accrues, and is included within cost of sales.

Financial instruments

Financial assets and liabilities are recognised when a member of the Group becomes party to the contractual provisions of a financial instrument. The Group's financial liabilities comprise medium term bank loans, participator loans and cash resources. The purpose of all of these resources is to fund secured lending made by the Group and to fund the groups working capital.

The main financial risks arising from secured lending are of losses arising on redemption of capital or on a borrower's inability to service interest.

The Group's policy in respect of risk is to ensure that adequate security exists before making an advance together with extensive credit checks on each borrower, and assessment of each borrower's ability to service a loan. Each loan is then constantly monitored to continually assess recoverability.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	107,000	107,000
Social security costs	<u>13,588</u>	<u>13,621</u>
	<u>120,588</u>	<u>120,621</u>

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

	2019	2018
Office and management	<u>1</u>	<u>1</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 1 (2018 - 1).

	2019	2018
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Alternative Bridging Corporation Limited

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

4. OPERATING (LOSS)/PROFIT

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

	2019	2018
	£	£
Hire of plant and machinery	16,930	15,912
Depreciation - owned assets	74,761	76,604
Loss/(profit) on disposal of fixed assets	220	(6,373)
Goodwill amortisation	-	12,310
Auditors' remuneration	29,520	29,250
Fees for non- audit services	<u>44,280</u>	<u>45,750</u>

Auditors' remuneration for non-audit work relates to the provision of accountancy, taxation and company secretarial services.

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	-	163,453
Deferred tax	<u>(7,708)</u>	<u>(6,527)</u>
Tax on (loss)/profit	<u>(7,708)</u>	<u>156,926</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
(Loss)/profit before tax	<u>(298,120)</u>	<u>791,626</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(56,643)	150,409
Effects of:		
Expenses not deductible for tax purposes	9,392	2,163
Income not taxable for tax purposes	-	(1,211)
Depreciation in excess of capital allowances	11,443	12,446
Utilisation of tax losses	35,808	-
Adjustments to tax charge in respect of previous periods	-	(354)
Deferred tax year	<u>(7,708)</u>	<u>(6,527)</u>
Total tax (credit)/charge	<u>(7,708)</u>	<u>156,926</u>

6. PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Alternative Bridging Corporation Limited

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

7. DIVIDENDS

	2019	2018
	£	£
Ordinary A shares of £1 each		
Interim	489,100	193,450
Ordinary B shares of £1 each		
Interim	<u>180,900</u>	<u>71,550</u>
	<u><u>670,000</u></u>	<u><u>265,000</u></u>

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 October 2018	
and 30 September 2019	<u>61,549</u>
AMORTISATION	
At 1 October 2018	
and 30 September 2019	<u>61,549</u>
NET BOOK VALUE	
At 30 September 2019	<u><u>-</u></u>
At 30 September 2018	<u><u>-</u></u>

Company

	Goodwill
	£
COST	
At 1 October 2018	
and 30 September 2019	<u>61,549</u>
AMORTISATION	
At 1 October 2018	
and 30 September 2019	<u>61,549</u>
NET BOOK VALUE	
At 30 September 2019	<u><u>-</u></u>
At 30 September 2018	<u><u>-</u></u>

Alternative Bridging Corporation Limited

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

9. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2018	94,701	118,736	26,400	119,875	359,712
Additions	-	-	-	12,529	12,529
Disposals	-	(1,171)	-	(27,355)	(28,526)
At 30 September 2019	<u>94,701</u>	<u>117,565</u>	<u>26,400</u>	<u>105,049</u>	<u>343,715</u>
DEPRECIATION					
At 1 October 2018	56,820	83,802	6,600	94,656	241,878
Charge for year	18,941	27,702	6,600	21,518	74,761
Eliminated on disposal	-	(952)	-	(27,355)	(28,307)
At 30 September 2019	<u>75,761</u>	<u>110,552</u>	<u>13,200</u>	<u>88,819</u>	<u>288,332</u>
NET BOOK VALUE					
At 30 September 2019	<u>18,940</u>	<u>7,013</u>	<u>13,200</u>	<u>16,230</u>	<u>55,383</u>
At 30 September 2018	<u>37,881</u>	<u>34,934</u>	<u>19,800</u>	<u>25,219</u>	<u>117,834</u>

Company

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2018	94,701	118,736	26,400	115,870	355,707
Additions	-	-	-	12,529	12,529
Disposals	-	(1,171)	-	(27,355)	(28,526)
At 30 September 2019	<u>94,701</u>	<u>117,565</u>	<u>26,400</u>	<u>101,044</u>	<u>339,710</u>
DEPRECIATION					
At 1 October 2018	56,820	83,802	6,600	92,244	239,466
Charge for year	18,941	27,702	6,600	20,516	73,759
Eliminated on disposal	-	(952)	-	(27,355)	(28,307)
At 30 September 2019	<u>75,761</u>	<u>110,552</u>	<u>13,200</u>	<u>85,405</u>	<u>284,918</u>
NET BOOK VALUE					
At 30 September 2019	<u>18,940</u>	<u>7,013</u>	<u>13,200</u>	<u>15,639</u>	<u>54,792</u>
At 30 September 2018	<u>37,881</u>	<u>34,934</u>	<u>19,800</u>	<u>23,626</u>	<u>116,241</u>

Alternative Bridging Corporation Limited

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

10. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 October 2018
and 30 September 2019

11,610

NET BOOK VALUE

At 30 September 2019

11,610

At 30 September 2018

11,610

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Property Finance Capital Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending.

%

Class of shares:

holding

Ordinary A £1

100.00

No of shares held: 1,000

Property Finance Nominees (No.3) Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending.

%

Class of shares:

holding

Ordinary £1

100.00

No of shares held: 100

Jaeger Alternative Finance Corporation Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending

%

Class of shares:

holding

Ordinary £1

60.00

No of shares held: 60

Alternative Bridging Corporation (Cheval) Limited

Registered office: United Kingdom

Nature of business: The provision of short term regulated lending.

%

Class of shares:

holding

Ordinary A £1

90.00

No of shares held: 10,000

Alternative Bridging Corporation Limited

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

10. FIXED ASSET INVESTMENTS - continued

Alternative Bridging (UK 1) Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending

%

Class of shares: holding

Ordinary £1 100.00

No of shares held: 100

Property Finance Capital (No.2) Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending

%

Class of shares: holding

Ordinary A £1 100.00

No of shares held: 100

Alternative Bridging (UK 2) Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending

%

Class of shares: holding

Ordinary £1 100.00

No of shares held: 100

Property Finance Capital (No.3) Limited

Registered office: United Kingdom

Nature of business: The provision of short term secured lending

%

Class of shares: holding

Ordinary A £1 100.00

No of shares held: 100

The Company also hold 1 Ordinary B share in the company

11. NEGATIVE GOODWILL

Group

	Total £
BALANCE	
At 1 October 2018	(24,400)
Additions	<u>(2,680)</u>
At 30 September 2019	<u>(27,080)</u>
NET BOOK VALUE	
At 30 September 2019	<u>(27,080)</u>
At 30 September 2018	<u>(24,400)</u>

Negative goodwill has arisen within various subsidiaries as a result of the issue of non-participating shares in those subsidiaries at a premium.

Alternative Bridging Corporation Limited

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

12. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Advances	80,988,783	109,431,586	247,500	36,667
Amounts owed by group undertakings	216,329	-	314,409	369,049
Other debtors	7,806	4,049	4,526	2,300
Tax	100,775	5,286	24,354	5,286
Prepayments and accrued income	<u>949,259</u>	<u>1,460,625</u>	<u>265,200</u>	<u>280,461</u>
	<u>82,262,952</u>	<u>110,901,546</u>	<u>855,989</u>	<u>693,763</u>
Amounts falling due after more than one year:				
Advances	<u>4,613,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>86,876,564</u>	<u>110,901,546</u>	<u>855,989</u>	<u>693,763</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Preference shares (see note 15)	560,000	410,000	350,000	200,000
Other loans (see note 15)	-	7,703,036	-	-
Participants' loans	26,225,703	46,750,180	-	-
Amounts owed to group undertakings	10,830	56,161	12,542	158,409
Tax	-	84,757	-	-
Social security and other taxes	91,849	49,968	-	-
VAT	1,403	6,995	1,403	6,995
Other creditors	1,553,156	1,416,059	72,691	94,932
Accrued expenses	<u>139,816</u>	<u>309,411</u>	<u>66,000</u>	<u>77,200</u>
	<u>28,582,757</u>	<u>56,786,567</u>	<u>502,636</u>	<u>537,536</u>

Participants' loans relate to facilities provided by various shareholders in subsidiaries for terms commensurate with the terms of advances to which they relate. For details of security please refer to Note 17 of the accounts.

Group preference shares includes £100,000 and £110,000 preference shares which were issued by a subsidiary on 1 November 2013 and 30 June 2015 respectively, and are redeemable at the subsidiary's discretion. They rank prior to the A and B shares in that subsidiary in the event of a return of assets, and entitle the holders to a fixed cumulative preference dividend of 10% per annum. They do not carry voting rights.

Alternative Bridging Corporation Limited

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

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 15)	41,542,159	37,055,312	-	-
Preference shares (see note 15)	-	23,000	-	23,000
Participants' loans	21,897,500	23,038,000	-	-
	<u>63,439,659</u>	<u>60,116,312</u>	<u>-</u>	<u>23,000</u>

Bank loans relate to facilities provided by various institutions for terms of 3 to 5 years.

Participants' loans relate to facilities provided by various shareholders in subsidiaries for fixed terms of 3 years.

Details of security held by certain creditors are referred to in Note 17 of the accounts.

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	-	7,703,036	-	-
Preference shares	560,000	410,000	350,000	200,000
	<u>560,000</u>	<u>8,113,036</u>	<u>350,000</u>	<u>200,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	41,542,159	37,055,312	-	-
Preference shares	-	23,000	-	23,000
	<u>41,542,159</u>	<u>37,078,312</u>	<u>-</u>	<u>23,000</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number	Class	Nominal value:	2019	2018
			£	£
23,000	Redeemable Preference Shares	£1	-	23,000
350,000	8% Preference Shares	£1	<u>350,000</u>	<u>200,000</u>

The company's Redeemable Preference Shares were repaid in full during the year.

£200,000 8% Preference Shares were issued on 11 July 2017, and are redeemable at anytime at the option of the Company. They rank prior to the A and B shares in the event of a return of assets and entitle the holders to a fixed cumulative preference dividend of 8% per annum. They do not carry voting rights.

Alternative Bridging Corporation Limited

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

£150,000 8% Preference Shares were issued on 30 September 2019, and are redeemable at anytime at the option of the Company. They rank prior to the A and B shares in the event of a return of assets and entitle the holders to a fixed cumulative preference dividend of 8% per annum. They do not carry voting rights.

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	68,500	68,500
Between one and five years	<u>34,250</u>	<u>102,750</u>
	<u>102,750</u>	<u>171,250</u>

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	68,500	68,500
Between one and five years	<u>34,250</u>	<u>102,750</u>
	<u>102,750</u>	<u>171,250</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank loans	41,542,159	37,055,312
Participants' loans	<u>48,123,203</u>	<u>69,788,180</u>
	<u>89,665,362</u>	<u>106,843,492</u>

The bank loans are secured on a first charge over advances made by Alternative Bridging (UK 1) Limited and Alternative Bridging (UK 2) Limited.

The participants' loans are secured on first and second charges over advances made by Property Finance Nominees (No.3) Limited, Alternative Bridging (UK 1) Limited and Alternative Bridging (UK 2) Limited.

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>1,749</u>	<u>9,457</u>	<u>1,749</u>	<u>9,457</u>

Alternative Bridging Corporation Limited

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

18. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 October 2018	9,457
Provided during year	<u>(7,708)</u>
Balance at 30 September 2019	<u>1,749</u>

Company

	Deferred tax £
Balance at 1 October 2018	9,457
Provided during year	<u>(7,708)</u>
Balance at 30 September 2019	<u>1,749</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
73	Ordinary A	£1	73	73
27	Ordinary B	£1	<u>27</u>	<u>27</u>
			<u>100</u>	<u>100</u>

The A Shares and the B Shares rank pari passu in all respects.

20. RESERVES

Group

	Retained earnings £
At 1 October 2018	780,948
Deficit for the year	(383,649)
Dividends	<u>(670,000)</u>
At 30 September 2019	<u>(272,701)</u>

Alternative Bridging Corporation Limited

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

20. RESERVES - continued

Company	Retained earnings £
At 1 October 2018	272,027
Profit for the year	832,819
Dividends	<u>(670,000)</u>
At 30 September 2019	<u>434,846</u>

21. NON-CONTROLLING INTERESTS

	£
At 1 October 2018	35,643
Total comprehensive income and expense	93,237
Dividends	(69,004)
Issue of B shares in subsidiaries	<u>620</u>
At 30 September 2019	<u>60,496</u>

22. RELATED PARTY DISCLOSURES

The directors have taken advantage of the exemptions in FRS 8 (paragraph c & d) and have not disclosed related party transactions between the consolidated group parent and other subsidiary group undertakings.

At the year end the company owed £52,271 (2018: £28,409) to Southern Funding Limited.

At the year end the company was owed £102,500 (2018: £36,000) and £80,000 (2018 owing to: £60,000) by Southern Group Limited and Alternative Bridging Corporation (Cheval) Limited.

During the year the company paid commission and management fees of £2,221,155 (2018: £2,217,667) to Southern Funding Limited which included directors remuneration of £161,499 (2018: £129,720).

During the year the company received fees of £Nil (2018: £10,000) from Jaeger Alternative Finance Corporation Limited.

During the year the company received management fees from Alternative Bridging Corporation (Cheval) Limited amounting to £102,000 (2018: £102,000).

£80,000 of the company's preference shares are held by Southern Group Limited, to whom dividends of £6,400 (2018: £6,400) were paid.

£110,000 of the company's preference shares are held by London and Counties Flats Limited, of whom S Sharpe is a director and dividends of £4,800 (2018: £4,800) were paid.

During the year dividends were received from Alternative Bridging Corporation (Cheval) Limited totalling £225,000 (2018: £Nil).

During the year the company paid dividends totalling £489,100 (2018: £193,450) to Southern Group Limited.

Alternative Bridging Corporation Limited

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

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Southern Group Limited by virtue of its ownership of a majority of the ordinary share capital of the company.