

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023
FOR
GLOBAL BRIDGING PLC GROUP ACCOUNTS

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for the Year Ended 31 July 2023

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GLOBAL BRIDGING PLC GROUP ACCOUNTS

COMPANY INFORMATION
for the Year Ended 31 July 2023

DIRECTORS:

S J Hodges
T J Potheary
T J Cooley
Mrs J E Sullivan
L Covill

REGISTERED OFFICE:

3rd Floor
2 Glass Wharf
Bristol
BS2 0EL

REGISTERED NUMBER:

08630329 (England and Wales)

AUDITORS:

A & N (Haslemere) Limited - Statutory Auditors
Aruna House
2 Kings Road
Haslemere
Surrey
GU27 2QA

GROUP STRATEGIC REPORT
for the Year Ended 31 July 2023

Global Bridging plc (the "company") is an unquoted public limited company and the holding company of the Global Bridging group of companies.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company was that of a holding company. The group's operating business and principal activity comprises:

Global Bridging Lending Limited (a wholly owned subsidiary of Global Bridging plc). The company provides bridging and short term lending to developers and professional property investors. During the year the company achieved revenue of £1,100,872 (2022 £913,415).

Global Bridging Operating Limited (a wholly owned subsidiary of Global Bridging plc) providing management and consultancy services to Global Bridging Lending Limited.

Global Bridging Services Limited (a wholly owned subsidiary of Global Bridging plc) providing other services to Global Bridging Lending Limited.

The results for the year and the financial position of the company and the group are shown on the attached financial statements. A number of key performance indicators are monitored in order to review and control both performance and liquidity and to plan for the future:

Gross Profit £381,599 35% (2022 £264,800 29%)
Net Profit before Tax £229,183 21% (2022 £127,580 14%)
Gross Book size £6.01m (2022 £9.3m).
Bank balances £1.24m (2022 £0.84m)

Also considered are non financial criteria such as loan market volumes and interest rates charged in comparison to the industry. Important influences include changes in the housing market and bank base rate.

The directors are satisfied with the results for the year and do not expect any significant changes to the activities of the company.

The loan book has decreased from the last year end to £6.1m (2022: £9.3m). The Board remains cautious of the prevailing economic environment but continues to pursue new lending opportunities that meet both the group's underwriting criteria and risk appetite. The directors conclude that the financial position of the company and group is satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is focused on its resilient and prudent business model. The group's funding and liquidity profile is managed closely within clearly defined risk parameters by the Directors.. The group remains well funded and confident that it will continue to be able to access the funding required to support its operations.

The board carefully assesses the value of the Security property position of the borrower, the amount loaned and the borrowers proposed method of repayment when originating and reviewing loan performance.

The risk of fraud by any borrowers alone or in collusion with brokers, valuers and others is considered low. The underwriting processes involve extensive layers of checks and validations. These processes are continually reviewed.

The Group's financial reserves and its Loan to Value ratios are considered adequate given the economic climate.

The risks mentioned are reviewed by the board which takes action to eliminate or mitigate specific risks through the adoption of appropriate strategies. These strategies include ensuring there is adequate legal security, that the underwriting manual is complied with and any deviation recorded by the Credit Committee and that the Underwriting Manual is regularly reviewed and updated.

GROUP STRATEGIC REPORT
for the Year Ended 31 July 2023

SECTION 172(1) STATEMENT

The Board recognises the importance of stakeholder engagement in delivering the long-term sustainable success of the group undertakings. When making decisions the Directors have regard to both the long-term impact of those decisions and their duties and responsibilities to stakeholders relevant to the group's operations. The success of the business is dependent on the support of all stakeholders and them working towards our shared goals.

Lenders

Key stakeholders to the group include both senior funders and loan note investors (collectively, the Lenders). Lenders are provided with regular information on the performance of the underlying loans and of the group as a whole. This information includes Loan Note statements, quarterly management reports and annual statutory accounts.

Shareholders

The group holds quarterly board meetings to which all directors and shareholders are invited. Financial information is supplied prior to these meetings and at other times during the year. Individual loan performance is reviewed and discussed in detail. The group's strategic plans for growth are revisited and topics including:

- our Lenders,
- the loan pipeline,
- our Product Offering (i.e. pricing and criteria)
- future profitability

Employees

The group has no employees. Key administration tasks are outsourced via a Memorandum of Understanding to a third party. Directors help with administrative functions and charge a consultancy fee for doing so as and when required.

Third party Administrator and Loan Introducer

The group has a relationship with a third party who introduces new loan opportunities to the group and performs administrative services such as assisting with loan underwriting and completed loan administration. Regular meetings are held face to face or by phone/video conference.

Borrowers

The group works closely with its Borrowers both directly and through its third parties (ie the loan introducer/administrator, the valuers and the group's lawyers). It is fundamental to the group that borrowers are made aware of their responsibilities to reduce potential problems during the life of the loan and a group representative meets with each Borrower before loans are completed. Once loans are completed, the group prides itself on being a fair lender and treats all borrowers fairly. The group works with Borrowers where loans need to be extended beyond their loan term where it is in the interest of both the group and the borrower to do so.

Lawyers

The group has a relationship with both its corporate lawyers and its business lawyers. The corporate lawyers mostly assist with:

- new loan note documentation
- revising shareholder documentation as required and
- annual company secretarial duties.

The business lawyers assist with:

- documentation for loan completions,
- performance of checks on the property title and companies
- assisting in the redemption of loans
- charges being secured and discharged on the Security property as and when necessary.

Valuers

The group has relationships with its Panel of Valuers, that are all members of the Royal Institute of Chartered Surveyors. Members of the Panel will value properties on behalf of the group which helps with the assessment of the risks of making loans to borrowers. The group's requirements are clearly set out to the Valuer in advance and a group representative will discuss individual valuations with the relevant Valuer as necessary. All Panel members need to hold sufficient Professional Indemnity Insurance to satisfy the group's criteria.

GROUP STRATEGIC REPORT
for the Year Ended 31 July 2023

Bank

The group works with its relationship managers at the clearing bank, where the group holds its bank accounts. Regular update meetings are held to discuss whether the services provided by the Bank are suitable.

Government and regulators

The group complies with all relevant regulations and together with its business lawyers, ensures that:

- all information at Companies House is current, including the filing of annual accounts.
- tax returns are filed on time and payments made when due.

The group is registered under the Data Protection Act and with Information Commissioner's Office.

The group has a relationship with a third party compliance provider to ensure that the group meets its requirements including :

- Anti Money Laundering checks.
- Know Your Client checks.
- Politically Exposed Persons/Sanctions Lists as well as validating documentation regarding proof of identity, residency and address.

DEVELOPMENT AND PERFORMANCE

The directors continue with their focus on cautious and managed growth.

ON BEHALF OF THE BOARD:

T J Cooley - Director

15 January 2024

REPORT OF THE DIRECTORS
for the Year Ended 31 July 2023

The directors present their report on the affairs of Global Bridging PLC and its subsidiaries together with the financial statements and auditor's report for the period ending 31 July 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of bridging and short term lending to developers and professional property investors in the UK.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2023.

FUTURE DEVELOPMENTS

The mortgage book has performed well with the receivables balance consistently over £6m for the first five months of the new financial year. The directors expect this trend to continue.

The directors believe that the Group will benefit from new lending opportunities in 2024 and will continue to consider loans that meet its lending criteria and satisfy its underwriting processes. Whilst considering these new lending opportunities, the directors are conscious of the changing economic environment and political landscape.

The directors continue to monitor these factors and others and believe that the Group is positioned to perform well in 2023/24.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

S J Hodges
T J Potheary
T J Cooley
Mrs J E Sullivan
L Covill

FINANCIAL INSTRUMENTS

The company has not entered into any non-basic financial instruments. All financial assets and liabilities entered into are due within one year. Loan debtors are short term non-derivative bridging loans provided at fixed interest commercial rates and are classified as basic financial instruments.

Price - The group monitor and charge sufficient interest to more than cover funding and operating costs. Senior funding interest rates are linked to lending rates achieved.

Liquidity and cash flow risk - the group closely monitors its liquidity position. A detailed analysis of expected cash flows and scenario planning ensures that potential risks are identified months in advance. Appropriate action will then be taken including short term financing solutions and pipeline planning for new business.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development and performance are closely managed by the board. The directors have reviewed the financial position since the year end and have looked at forecasts for a further twelve months and are satisfied with the operational stability and continuity of the group.

REPORT OF THE DIRECTORS
for the Year Ended 31 July 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, A & N (Haslemere) Limited - Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

T J Cooley - Director

15 January 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GLOBAL BRIDGING PLC GROUP ACCOUNTS (REGISTERED NUMBER: 08630329)

Opinion

We have audited the financial statements of Global Bridging Plc Group Accounts (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 31 July 2023 and of the group's 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of 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 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 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
GLOBAL BRIDGING PLC GROUP ACCOUNTS (REGISTERED NUMBER: 08630329)

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 Directors' Responsibilities Statement set out on page six, 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.

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. To address the risk of fraud through management bias and override of controls, we carried out:

- analytical procedures to identify unusual or unexpected fluctuations
- tested journal entries
- assessed whether judgements and assumptions made in accounting estimates were indicative of potential bias
- and generally investigated the rationale behind significant or unusual transactions.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

4. Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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
GLOBAL BRIDGING PLC GROUP ACCOUNTS (REGISTERED NUMBER: 08630329)

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.

Mrs Anugrah Sharma BSc FCA (Senior Statutory Auditor)
for and on behalf of A & N (Haslemere) Limited - Statutory Auditors
Aruna House
2 Kings Road
Haslemere
Surrey
GU27 2QA

16 January 2024

**CONSOLIDATED
STATEMENT OF INCOME AND
RETAINED EARNINGS
for the Year Ended 31 July 2023**

	Notes	31.7.23 £	31.7.22 £
TURNOVER		1,100,872	913,415
Cost of sales		<u>719,273</u>	<u>648,615</u>
GROSS PROFIT		381,599	264,800
Administrative expenses		<u>160,664</u>	<u>137,339</u>
		220,935	127,461
Interest receivable and similar income		<u>8,248</u>	<u>119</u>
PROFIT BEFORE TAXATION	3	229,183	127,580
Tax on profit	4	<u>47,800</u>	<u>24,240</u>
PROFIT FOR THE FINANCIAL YEAR		181,383	103,340
Retained earnings at beginning of year		647,294	543,954
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR		<u>828,677</u>	<u>647,294</u>
Profit attributable to: Owners of the parent		<u>181,383</u>	<u>103,340</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 July 2023

	Notes	31.7.23 £	31.7.22 £
CURRENT ASSETS			
Debtors	7	6,099,982	9,269,958
Cash at bank		<u>1,242,612</u>	<u>843,285</u>
		7,342,594	10,113,243
CREDITORS			
Amounts falling due within one year	8	<u>6,385,417</u>	<u>9,337,449</u>
NET CURRENT ASSETS		<u>957,177</u>	<u>775,794</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>957,177</u>	<u>775,794</u>
CAPITAL AND RESERVES			
Called up share capital	11	118,500	118,500
Share premium		10,000	10,000
Retained earnings		<u>828,677</u>	<u>647,294</u>
SHAREHOLDERS' FUNDS		<u>957,177</u>	<u>775,794</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 January 2024 and were signed on its behalf by:

T J Cooley - Director

COMPANY STATEMENT OF FINANCIAL POSITION

31 July 2023

	Notes	31.7.23 £	£	31.7.22 £	£
FIXED ASSETS					
Investments	6		3		3
CURRENT ASSETS					
Cash at bank		253,843		249,803	
CREDITORS					
Amounts falling due within one year	8	<u>4,948</u>		<u>4,948</u>	
NET CURRENT ASSETS			<u>248,895</u>		<u>244,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>248,898</u>		<u>244,858</u>
CAPITAL AND RESERVES					
Called up share capital	11		118,500		118,500
Share premium			10,000		10,000
Retained earnings			<u>120,398</u>		<u>116,358</u>
SHAREHOLDERS' FUNDS			<u>248,898</u>		<u>244,858</u>
Company's profit for the financial year			<u>4,040</u>		<u>4,040</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 January 2024 and were signed on its behalf by:

T J Cooley - Director

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 July 2023

	Notes	31.7.23 £	31.7.22 £
Cash flows from operating activities			
Cash generated from operations	1	3,390,913	(6,411,622)
Tax paid		<u>(24,240)</u>	<u>(14,605)</u>
Net cash from operating activities		<u>3,366,673</u>	<u>(6,426,227)</u>
Cash flows from investing activities			
Interest received		<u>8,248</u>	<u>119</u>
Net cash from investing activities		<u>8,248</u>	<u>119</u>
Cash flows from financing activities			
New loans in year		1,588,350	5,326,425
Loan repayments in year		<u>(4,563,944)</u>	<u>(20,000)</u>
Net cash from financing activities		<u>(2,975,594)</u>	<u>5,306,425</u>
Increase/(decrease) in cash and cash equivalents		<u>399,327</u>	<u>(1,119,683)</u>
Cash and cash equivalents at beginning of year	2	843,285	1,962,968
Cash and cash equivalents at end of year	2	<u><u>1,242,612</u></u>	<u><u>843,285</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 July 2023

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.7.23	31.7.22
	£	£
Profit before taxation	229,183	127,580
Finance income	<u>(8,248)</u>	<u>(119)</u>
	220,935	127,461
Decrease/(increase) in trade and other debtors	3,169,976	(6,525,031)
Increase/(decrease) in trade and other creditors	<u>2</u>	<u>(14,052)</u>
Cash generated from operations	<u><u>3,390,913</u></u>	<u><u>(6,411,622)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 July 2023

	31.7.23	1.8.22
	£	£
Cash and cash equivalents	<u>1,242,612</u>	<u>843,285</u>

Year ended 31 July 2022

	31.7.22	1.8.21
	£	£
Cash and cash equivalents	<u>843,285</u>	<u>1,962,968</u>

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.8.22	Cash flow	At 31.7.23
	£	£	£
Net cash			
Cash at bank	<u>843,285</u>	<u>399,327</u>	<u>1,242,612</u>
	<u>843,285</u>	<u>399,327</u>	<u>1,242,612</u>
Debt			
Debts falling due within 1 year	<u>(9,305,611)</u>	<u>2,975,594</u>	<u>(6,330,017)</u>
	<u>(9,305,611)</u>	<u>2,975,594</u>	<u>(6,330,017)</u>
Total	<u><u>(8,462,326)</u></u>	<u><u>3,374,921</u></u>	<u><u>(5,087,405)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 July 2023

1. **ACCOUNTING POLICIES**

General information

Global Bridging plc ("the company") is a company limited by shares incorporated in England and Wales. The address of the registered office is given in the company information on page 1.

The principal activity of the company is the provision of bridging and short term lending to developers and professional property investors.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Financial Reporting Standard 102 - reduced disclosure exemptions

No cash flow statement has been presented for the parent company

Basis of consolidation

The group financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention and are presented in sterling which is the functional currency of the group.

Significant judgements and estimates

The recognition of income and expenditure is based on fixed rates of interest and contractual agreements. There are no significant judgements and estimates made during the year to 31 July 2023 nor 31 July 2022.

Turnover

Turnover comprises interest income, management and arrangement fees on financial assets. Interest income is recognised from the date the funds are advanced and in accordance with the fixed rate interest charged. Arrangement and management fees are recognised on the commencement of the loan agreement.

Financial instruments

The group classifies its financial assets at fair value through profit and loss or as loan debtors and amounts owed by group undertakings. Financial liabilities, classified as other loans and amounts owed to group undertakings are at transaction cost which is considered equivalent to fair value.

Other basic financial assets and liabilities, including cash and bank balances and accrued received interest and expenses are recognised at transaction price which is considered equivalent to fair value.

Loan debtors constitute non-derivative short term bridging loans provided at fixed interest commercial rates and are classified as basic financial instruments. These are measured at transaction price net of any costs and impairment and are considered to be equivalent to fair value.

Other financial liabilities are short term non-derivative financial liabilities with fixed or determinable payments.

These are recognised when cash is received from investors. The liabilities are carried at transaction cost. This is considered to be equivalent to fair value.

Taxation

Taxation expense for the year comprises current tax recognised in the year. Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years and is calculated using tax rates and laws that have been enacted or substantively enacted by the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2023

1. **ACCOUNTING POLICIES - continued**

Impairment

The group reviews its portfolio of loan debtors to assess impairment on a regular basis during the year. The criteria used are whether there are any arrears in contractual payments of principal or interest; cash flow difficulties experienced by the borrower and the need for the initiation of collection. In determining whether an impairment loss should be recognised the board considers whether there is a measurable decrease in the recoverable debt.

No impairment provision has been made against loans and advances to customers or other receivables during the period.

Determining whether secured debt is impaired requires an estimation of the value of the underlying security, an assessment of future related expected cashflows, the financial position of the borrower and the carrying balance of the debt. This has been considered on an individual loan by loan basis. The directors are satisfied with the degree of certainty that this approach provides.

2. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 July 2023 nor for the year ended 31 July 2022.

3. **PROFIT BEFORE TAXATION**

The profit is stated after charging:

	31.7.23	31.7.22
	£	£
Auditor's remuneration for the audit of the company accounts	4,000	4,000
Auditor's remuneration of the audit of the company subsidiaries	<u>3,600</u>	<u>3,600</u>

4. **TAXATION**

Analysis of the tax charge

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

	31.7.23	31.7.22
	£	£
Current tax:		
UK corporation tax	<u>47,800</u>	<u>24,240</u>
Tax on profit	<u>47,800</u>	<u>24,240</u>

5. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £4,040 (2022 : £4,040).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2023

6. FIXED ASSET INVESTMENTS**Company**

Shares in
group
undertakings
£

COST

At 1 August 2022
and 31 July 2023

3

NET BOOK VALUE

At 31 July 2023
At 31 July 2022

3

3

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries**Global Bridging Lending Limited**

Registered office: 2 Glass Wharf, Bristol, England, BS2 0EL Country of incorporation United Kingdom
Nature of business: Provision of bridging and short term funding

	%
Class of shares:	holding
Ordinary	100.00

Global Bridging Operating Limited

Registered office: 2 Glass Wharf, Bristol, England, BS2 0EL Country of incorporation United Kingdom
Nature of business: Day to day operational functions of the Group

	%
Class of shares:	holding
Ordinary	100.00

Global Bridging Services Limited

Registered office: 2 Glass Wharf, Bristol, England, BS2 0EL Country of incorporation United Kingdom
Nature of business: Day to day services of the Group

	%
Class of shares:	holding
Ordinary	100.00

Global Bridging Operating and Global Bridging Services have claimed the exemption from audit under s479A of the Companies Act 2006.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.23	Group 31.7.22
	£	£
Trade debtors	5,528,745	8,399,042
Trade debtors interest	571,237	870,916
	<u>6,099,982</u>	<u>9,269,958</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2023

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.7.23	31.7.22	31.7.23	31.7.22
	£	£	£	£
Other loans (see note 9)	6,330,017	9,305,611	-	-
Tax	47,800	24,240	948	948
Accrued expenses	7,600	7,598	4,000	4,000
	<u>6,385,417</u>	<u>9,337,449</u>	<u>4,948</u>	<u>4,948</u>

Other loans include external funding secured against relevant collateral provided by the ultimate borrower (see note 9) and loan notes (see note 10).

9. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	31.7.23	31.7.22
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>6,330,017</u>	<u>9,305,611</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	31.7.23	31.7.22
	£	£
Other Loans	2,403,963	4,960,768
Loan Notes	<u>3,926,054</u>	<u>4,344,843</u>
	<u>6,330,017</u>	<u>9,305,611</u>

Loans to the group at the year end include loan arrangements where additional external funding is secured via a subcharge on the collateral provided by the ultimate borrower to the group on the advancement of the loan at commercial rates and redeemable within one year. The Other Loans due include accrued interest £89,905 (2022 £99,019). There is a custodial fixed and floating charge on the assets of Global Bridging Lending Ltd on behalf of all Loan Note holders. The loan note balances due include accrued interest of £270,362 (2022 £380,584).

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.23	31.7.22
			£	£
118,500	Ordinary	£1	<u>118,500</u>	<u>118,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2023

12. CONTINGENT LIABILITIES

Company

Two of the Company's subsidiaries, as disclosed in note 6, have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006. For these subsidiaries, the Company has guaranteed all outstanding liabilities as at the year end, until they are settled in full. The liabilities of the subsidiaries at 31 July 2023 were £5,269 (2022 £4,659).

13. RELATED PARTY DISCLOSURES

The group has taken advantage of the exemption available in paragraph 33.1A of FRS 102: Related party disclosures and has not disclosed transactions with other wholly owned Group companies. Transactions between Group companies that eliminate in the consolidated financial statements are not disclosed.

The directors are owed £2,338,475 (2022 £2,835,494) in loan notes, these loan notes are "pari passu" with loan notes held by other parties. All loan notes are redeemable at any time subject to two months notice and interest is charged at commercial rates. Interest accrued and included in the balance above as at 31 July 2023 is £151,411 (2022 £263,278). During the year interest of £314,336 (2022 £209,421) was paid.

14. ULTIMATE CONTROLLING PARTY

Global Bridging PLC is the parent company of the group and no one individual holds a controlling interest, control would require multiple individuals to act with a common goal.

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.