

**Report of the Directors and
Financial Statements for the Year Ended 30 September 2016
for
Property Finance Capital Limited**



Property Finance Capital Limited

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for the year ended 30 September 2016**

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Property Finance Capital Limited
Company Information
for the year ended 30 September 2016

DIRECTORS:

J Rubins
B L Rubins
S D Meller
G P Losi
M F Robinson

REGISTERED OFFICE:

1st Floor
Health Aid House
Marlborough Hill
Harrow
Middlesex
HA1 1UD

REGISTERED NUMBER:

07320958 (England and Wales)

AUDITORS:

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

Property Finance Capital Limited

**Report of the Directors
for the year ended 30 September 2016**

The directors present their report with the financial statements of the company for the year ended 30 September 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2015 to the date of this report.

J Rubins
B L Rubins
S D Meller
G P Losi
M F Robinson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Grant Harrod Lerman Davis LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
S D Meller - Director

Date: 13.4.17

Report of the Independent Auditors to the Members of Property Finance Capital Limited

We have audited the financial statements of Property Finance Capital Limited for the year ended 30 September 2016 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Property Finance Capital Limited**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



A H Grant (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

Date: 13.4.17

Property Finance Capital Limited

**Statement of Comprehensive Income
for the year ended 30 September 2016**

	Notes	2016 £	2015 £
TURNOVER		5,694,147	5,643,827
Cost of sales		<u>5,694,147</u>	<u>5,643,827</u>
GROSS PROFIT		-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION	4	-	-
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		-	-
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Property Finance Capital Limited (Registered number: 07320958)

**Balance Sheet
30 September 2016**

	Notes	2016 £	2015 £
CURRENT ASSETS			
Debtors	6	43,835,576	56,916,805
Cash at bank		382,523	559,525
		<hr/>	<hr/>
		44,218,099	57,476,330
CREDITORS			
Amounts falling due within one year	7	42,925,949	52,065,043
		<hr/>	<hr/>
NET CURRENT ASSETS		1,292,150	5,411,287
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,292,150	5,411,287
CREDITORS			
Amounts falling due after more than one year	8	1,270,000	5,392,537
		<hr/>	<hr/>
NET ASSETS		22,150	18,750
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	10	5,230	4,550
Share premium	11	16,920	14,200
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		22,150	18,750
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on13.4.17..... and were signed on its behalf by:



.....
S D Meller - Director

The notes form part of these financial statements

Property Finance Capital Limited

**Statement of Changes in Equity
for the year ended 30 September 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 October 2014	3,850	-	11,400	15,250
Changes in equity				
Issue of share capital	700	-	2,800	3,500
Balance at 30 September 2015	<u>4,550</u>	<u>-</u>	<u>14,200</u>	<u>18,750</u>
Changes in equity				
Issue of share capital	680	-	2,720	3,400
Balance at 30 September 2016	<u><u>5,230</u></u>	<u><u>-</u></u>	<u><u>16,920</u></u>	<u><u>22,150</u></u>

The notes form part of these financial statements

Property Finance Capital Limited

Notes to the Financial Statements for the year ended 30 September 2016

1. STATUTORY INFORMATION

Property Finance Capital Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents fees and interest receivable on secured advances. Fees are recognised as services are provided and interest is recognised as it accrues over the life of advances.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial instruments are classified according to substance of the contractual arrangements entered into.

3. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	107,000	134,017
Social security costs	13,645	17,385
	<u>120,645</u>	<u>151,402</u>

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

	2016	2015
Staff salaries	<u>1</u>	<u>1</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit in the year for the company was £nil (2015: £nil)

Property Finance Capital Limited

**Notes to the Financial Statements - continued
for the year ended 30 September 2016**

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 September 2016 nor for the year ended 30 September 2015.

6. DEBTORS

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed by group undertakings	42,432,858	51,309,004
Prepayments and accrued income	132,718	215,264
	<u>42,565,576</u>	<u>51,524,268</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,270,000	5,392,537
	<u>1,270,000</u>	<u>5,392,537</u>
Aggregate amounts	<u>43,835,576</u>	<u>56,916,805</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Participants' loans	42,013,427	49,984,888
Taxation and social security	10,601	11,019
Other creditors	901,921	2,069,136
	<u>42,925,949</u>	<u>52,065,043</u>

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

	2016 £	2015 £
Participants' loans	1,270,000	5,392,537
	<u>1,270,000</u>	<u>5,392,537</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Participants' loans	43,283,427	55,377,425
	<u>43,283,427</u>	<u>55,377,425</u>

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

Property Finance Capital Limited

**Notes to the Financial Statements - continued
for the year ended 30 September 2016**

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
1,000	Ordinary A	£1	1,000	1,000
423	Ordinary B	£10	4,230	3,550
			5,230	4,550
			5,230	4,550

68 Ordinary B shares of £10 each were allotted as fully paid at a premium of £40 per share during the year.

11. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 October 2015	-	14,200	14,200
Profit for the year	-		-
Cash share issue	-	2,720	2,720
	-	16,920	16,920
At 30 September 2016	-	16,920	16,920

12. ULTIMATE PARENT COMPANY

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

13. RELATED PARTY DISCLOSURES

The company's working capital is provided by loans from B shareholders.

Included within participants' loans are amounts of £232,540 (2015: £294,562) being loans from Grand Oaks Capital Limited, a company controlled by B. L. Rubins.

Included within participants' loans are amounts of £242,500 (2015: £284,770) being loans from LRS Investments LLP, a LLP of which G. P. Losi and M Robinson are members.

Included within shareholder loans are amounts of £43,688 (2015: £126,575) being loans from M Robinson, a director of the company.

At 30 September 2015 £7,773,800 (2014: £5,533,931) was due by Alternative Bridging Corporation (Cheval) Limited.

Property Finance Capital Limited

**Reconciliation of Equity
1 October 2014
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
CURRENT ASSETS				
Debtors		46,584,368	-	46,584,368
Cash at bank		301,657	-	301,657
		<u>46,886,025</u>	<u>-</u>	<u>46,886,025</u>
CREDITORS				
Amounts falling due within one year		(45,442,925)	-	(45,442,925)
NET CURRENT ASSETS				
		<u>1,443,100</u>	<u>-</u>	<u>1,443,100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,443,100	-	1,443,100
CREDITORS				
Amounts falling due after more than one year		(1,427,850)	-	(1,427,850)
NET ASSETS				
		<u>15,250</u>	<u>-</u>	<u>15,250</u>
CAPITAL AND RESERVES				
Called up share capital		3,850	-	3,850
Share premium		11,400	-	11,400
SHAREHOLDERS' FUNDS				
		<u>15,250</u>	<u>-</u>	<u>15,250</u>

The notes form part of these financial statements

Property Finance Capital Limited

Reconciliation of Equity - continued
30 September 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
CURRENT ASSETS				
Debtors		56,916,805	-	56,916,805
Cash at bank		559,525	-	559,525
		<u>57,476,330</u>	<u>-</u>	<u>57,476,330</u>
CREDITORS				
Amounts falling due within one year		(52,065,043)	-	(52,065,043)
		<u>5,411,287</u>	<u>-</u>	<u>5,411,287</u>
NET CURRENT ASSETS				
		<u>5,411,287</u>	<u>-</u>	<u>5,411,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>5,411,287</u>	<u>-</u>	<u>5,411,287</u>
CREDITORS				
Amounts falling due after more than one year		(5,392,537)	-	(5,392,537)
		<u>18,750</u>	<u>-</u>	<u>18,750</u>
NET ASSETS				
		<u>18,750</u>	<u>-</u>	<u>18,750</u>
CAPITAL AND RESERVES				
Called up share capital		4,550	-	4,550
Share premium		14,200	-	14,200
		<u>18,750</u>	<u>-</u>	<u>18,750</u>
SHAREHOLDERS' FUNDS				
		<u>18,750</u>	<u>-</u>	<u>18,750</u>

The notes form part of these financial statements

Property Finance Capital Limited

**Reconciliation of Profit
for the year ended 30 September 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	5,643,827	-	5,643,827
Cost of sales	(5,643,827)	-	(5,643,827)
GROSS PROFIT	-	-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION	-	-	-
Tax on profit	-	-	-
PROFIT FOR THE FINANCIAL YEAR	-	-	-

The notes form part of these financial statements