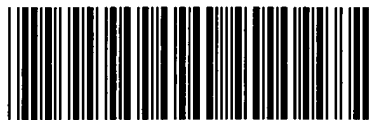


Registered number: 09067264

**BRICKS K3 CAPITAL LIMITED
DIRECTOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FRIDAY



AB99WIE0

A14

29/07/2022

#127

COMPANIES HOUSE

Bricks K3 Capital Limited
Director's Report and Financial Statements
For The Year Ended 31 December 2020

Contents

Page

Company Information

1

Director's Report

2

Independent Auditor's Report

3–5

Statement of Comprehensive Income

6

Balance Sheet

7

Notes to the Financial Statements

8–9

Bricks K3 Capital Limited
Company Information
For The Year Ended 31 December 2020

Director	Mr P G Prickett
Company Number	09067264
Registered Office	Ground Floor 8-9 Bulstrode Place London W1U 2HY
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Bricks K3 Capital Limited
Company No. 09067264
Director's Report For The Year Ended 31 December 2020

The director presents his report and the financial statements for the year ended 31 December 2020.

Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 the financial statements the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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. He is 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 of Disclosure of Information to Auditors

The director of the company who held office at the date of approval of this annual report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he 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, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors

The director who held office during the year was as follows:

Mr P G Prickett

Small Company Rules

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



Mr P.G Prickett

Director

Date: 27 July 2022

Independent Auditor's Report to the Members of Bricks K3 Capital Limited

Opinion

We have audited the financial statements of Bricks K3 Capital Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 - Section 1A for Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We draw attention to note 1.2 in the financial statements, which details various events and conditions that the Director has taken into account in his going concern assessment. As stated in note 1.2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report (continued) to the Members of Bricks K3 Capital Limited

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the real estate industry, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and income tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted around the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

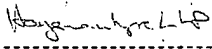
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report (continued)
to the Members of
Bricks K3 Capital Limited

Use Of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Daniels (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 27 July 2022

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bricks K3 Capital Limited
Statement of Comprehensive Income
For The Year Ended 31 December 2020

	2020	2019
	£	£
Administrative expenses	(5,393)	(87,388)
OPERATING LOSS	(5,393)	(87,388)
Interest payable and similar charges	(344,280)	(343,340)
LOSS FOR THE FINANCIAL YEAR	(349,673)	(430,728)
OTHER COMPREHENSIVE INCOME:		
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(349,673)	(430,728)

There was no other comprehensive income in 2020 (2019: £Nil).

The notes on pages 8 to 9 form part of these financial statements.

Bricks K3 Capital Limited
Balance Sheet
As at 31 December 2020

		2020		2019	
	Notes	£	£	£	£
CURRENT ASSETS					
Debtors	3	1,971,967		8,177,816	
Cash at bank and in hand				7,383	
		<u>1,971,967</u>		<u>8,185,199</u>	
Creditors: Amounts Falling Due Within One Year	4	<u>(4,248,654)</u>		<u>(10,112,213)</u>	
NET CURRENT LIABILITIES			<u>(2,276,687)</u>		<u>(1,927,014)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,276,687)</u>		<u>(1,927,014)</u>
NET LIABILITIES			<u>(2,276,687)</u>		<u>(1,927,014)</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Profit and Loss Account			<u>(2,276,688)</u>		<u>(1,927,015)</u>
SHAREHOLDERS' FUNDS			<u>(2,276,687)</u>		<u>(1,927,014)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1a - small entities.

The financial statements were approved by the board of directors and were signed on its behalf by



Mr P G Prickett
 Director

Date: 27 July 2022

The notes on pages 8 to 9 form part of these financial statements.

Bricks K3 Capital Limited
Notes to the Financial Statements
For The Year Ended 31 December 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2. Going Concern

The financial statements have been prepared on a going concern basis as the Director is satisfied that the Company has the resources to continue in business for the foreseeable future, which has been taken as being at least twelve months from the date of approval of the financial statements. In forming this assessment, the Director has considered cashflow projections covering a period of at least twelve months from the date of approval of the financial statements.

Notwithstanding this assessment, the Director recognises that there is an issue which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company generated losses of £349,674 in the year ended 31 December 2020 and has net liabilities of £2,276,687 at 31 December 2020. The company is a cost centre for the wider group and does not generate any income. The Company holds loans due to investors on its balance sheet of £2,290,116 which are repayable on demand. As a result, it is reliant on financial support from a related entity, Bricks Capital Limited (a Hong Kong based company) in order to finance the repayment of these loans when they fall due. Bricks Capital Limited's most recently available financial statements show a net liability position and it is loss making. The director believes that Bricks Capital Limited would be able to raise the necessary funding should it be called upon to finance the repayment of the loans but, in the absence of adequate committed finance to Bricks Capital Limited to fulfil this, the director recognises that there is a material uncertainty as to whether such funding would be available.

The Director is strongly of the view that the Company will be able to operate as a going concern, given the support provided by Bricks Capital Limited, or another group company, and, accordingly, has adopted the going concern basis of preparation.

1.3. Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.4. Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1.5. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Bricks K3 Capital Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.8. Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an outright short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 1 (2019: 1)

3. Debtors

	2020	2019
	£	£
Due within one year		
Other debtors	-	877
Amounts owed by group undertakings	1,971,967	8,176,939
	<u>1,971,967</u>	<u>8,177,816</u>

4. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	-	15,514
Bank loans and overdrafts	2,290,116	1,945,835
Other creditors	432	-
Amounts owed to group undertakings	1,958,106	8,150,864
	<u>4,248,654</u>	<u>10,112,213</u>

5. Related Party Transactions

As permitted by FRS 102, the company has taken advantage of the exemption from disclosing the transactions entered into between wholly owned group companies and those group company transactions that have been performed on an arm's length basis.

6. Ultimate Controlling Party

The immediate parent undertaking is Bricks Capital Holdings Limited, a company registered in the United Kingdom. The largest and smallest group in which the results of the Company are consolidated is that of Bricks Capital Holdings Limited. The consolidated financial statements may be obtained from 8-9 Bulstrode Place, London, W1U 2HY. The ultimate controlling party is Peter Prickett.

7. General Information

Bricks K3 Capital Limited is a private company, limited by shares, incorporated in England & Wales, registered number 09067264. The registered office is Ground Floor, 8-9 Bulstrode Place, London, W1U 2HY. The principal activity is undertaking management activities for the Group.