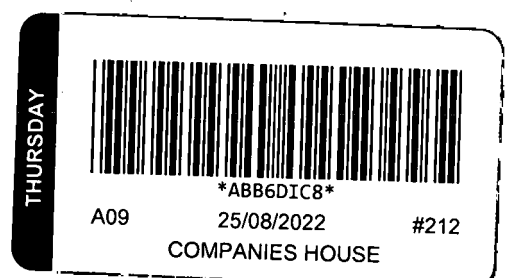


BRICKS CAPITAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BRICKS CAPITAL HOLDINGS LIMITED

COMPANY INFORMATION

Director	P G Prickett
Registered number	09451783
Registered office	Ground Floor 8-9 Bulstrode Place London W1U 2HY
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

BRICKS CAPITAL HOLDINGS LIMITED

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BRICKS CAPITAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The director presents his group strategic report for the year ended 31 December 2020.

The principal activity of the company is that of parent undertaking to a group of subsidiaries (together the "group") developing, owning, and operating hotels and purpose-built student accommodation.

Business review

The trading performance of 2020 was severely affected by the global effects of the pandemic. Despite this, the group has been able to secure favourable senior development financing via EVH, Banor and DRC. This has enabled the group to continue to grow the development pipeline. Turnover, a key performance indicator for the group, has fallen by £6,678,261 in the year to £2,735,308. This is driven by both the impact of COVID-19 on student accommodation income, and the group receiving no hotel income in the year as a result of site closures in 2019. At 31 December 2020, the Consolidated Balance Sheet shows a net liability position of £26,946,447, compared to net liabilities of £4,468,159 in 2019. There are consolidated net current liabilities of £252,081,308 at 31 December 2020 (2019: £58,455,633), driven partly by Roundshield finance being recognised as a current liability in the year, increases in short term funding due to COVID-19 (meaning other loans disclosed within creditors falling due within one year has increased by £209 million) and an increase of £11 million in accruals and deferred income. Overall current liabilities have increased by £201,540,129 to £267,198,234 in 2020 (2019: £65,658,105).

During the year to 31 December 2020, the group had 2 operational purpose-built student accommodation (PBSA) developments, all managed through the True Student Branding. Since the year-end, 4 more student accommodations have become operational, along with a hotel which is operated and managed by the Marriott Group platform. These are situated at:

- Newcastle (operational for entire year)
- Birmingham (operational from September 2020)
- Salford Quays (operational from September 2021)
- Glasgow (operational from September 2021)
- Newcastle (operational from February 2021)
- Liverpool (operational from September 2021)
- The Courtyard by Marriott Hotel at London City Airport (operational from February 2021)

As reported in the Statement of Comprehensive Income for the year to 31 December 2020, there was an operating loss of £26,338,300 (2019: £5,603,749) which included an impairment of £21,724,900 (2019: £430,860 gain) to the fixed assets held at cost and assets under the course of construction. The impairment is a result of third party valuations determining the current market value to be lower than the costs incurred as at 31 December 2020. Simultaneously, there are unrealised surpluses on revaluation of freehold land and properties of £26,300,251 (2019: £nil) which have been recognised as other comprehensive income, similarly driven by independently provided valuations.

As reported in the Consolidated Balance Sheet, the increase in tangible fixed assets is driven by the development of new student accommodations, alongside the fair value movements and surpluses on revaluation in the year. Interest costs of £15,415,392 (2019: £1,234,570) were capitalised during the year. The increase in debtors in the year is driven by increases in prepaid development costs where completion on the purchase of land had not been finalised at 31 December 2020.

During 2021 the group sold 3 subsidiary sub-groups, and the freehold student accommodations held within them, to Tristan Capital Partners LLP. The group has retained the operational activities of these student accommodations. The Courtyard by Marriott at London City Airport is operational and the Director is considering sale options with the final round of bidding now underway. The sales in 2021 were prompted by economic circumstances and the impact of COVID-19 on the group. The sale of assets is not the business model of the group and the Director's long-term objective remains to hold and operate the hotels and purpose-built student accommodation.

BRICKS CAPITAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

A further 3 student accommodation developments are under way. One is expected to open in September 2022 (Swansea), and the remaining two in August 2023 (Leicester and DQ2, a second Salford Quays site). There are 3 additional sites that have been acquired, 1 which is expected to open in August 2024 (Sheffield) and the other 2 opening in August 2025 (Norwich and Nottingham). A further Hotel development (Garden Inn Silverstone racetrack) has a scheduled completion for September 2022.

The purpose-built student accommodation sites operate under the "True Student" brand. True Student Limited, a subsidiary of the group, manages the student accommodation under a management contract at the year end. True Student Limited will continue to develop the brand and add value by increasing its operating business through the development pipeline of the group and by expanding to the management of third-party sites. The group is forecasting a third-party site, Gilbert Street, Glasgow (99 rooms), to be managed by the True Student brand in the academic year 2023/24.

The Director continues to monitor the potential impact to the group resulting from the exit of Britain from the European Union and seeks to mitigate any risks as they arise. The Director is of the opinion that the adverse impacts of COVID-19 have peaked and will have no long-term effects on future trading or developments.

Principal risks and uncertainties

The Director has the overall responsibility for the establishment and oversight of the risk management framework. Senior management is responsible for developing and monitoring the risk management policies and reports regularly to the Director.

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and group's activities.

Going concern is a principal risk to the group. The Director is aware that there is a material uncertainty with respect to the group's ability to continue as a going concern derived from loan positions held within the group totalling £196,171,768 (including accrued interest) at the date of approval of the financial statements and which are due for repayment within 12 months of that date. The Director is confident that the facilities can be extended, or alternative lending can be secured and is holding active discussions with lenders to manage the situation.

Financial risk management objectives and policies

The group uses various financial instruments including loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. All of the group's financial instruments are of sterling denomination and the company does not trade in derivatives.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The director reviews and agrees policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Interest Rate Risk

The company finances its operations through a mixture of retained profits, related party borrowings and fixed rate loans from external and other group undertakings.

Inflation Risk

Growth in rental income is linked to the movement in RPI and the company manages the exposure by only having fixed rate debt.

Demand Risk

The group is subject to risks arising from occupancy voids which can lead to uncertain revenues. This risk is managed by cementing relationships with the university, improving marketing, and introducing new products to complement the student accommodation market.

BRICKS CAPITAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Portfolio Risk

Currently the assets in the company are in the student accommodation or hotel market. The company seeks to expand its product offering, such as a new Co-living brand, and thereby reduce the risk of fluctuations in the student and hotel occupancy markets.

Financial key performance indicators

During the year to 31 December 2020, there were no active hotel sites in the group, therefore the key performance indicators reported at that date all related to the purpose-built student accommodation sites. With regards to student accommodation sites, the key performance indicators are occupancy rates, average room rates per week and average cost per bed per week. For the 2020/2021 academic year, the group's occupancy rate was 28%, with an average room rate per week of £168, and an average cost per bed per week of £72. For the 2021/22 academic year these KPI's have moved to 88% occupancy, £182 average room rate and £55 average cost per bed per week.

The loan to value ratio covenant for the Roundshield facility is a key performance indicator. This was in technical breach at 31 December 2020. The repayment of funds to Roundshield from the sales of Salford Quays, Birmingham and Glasgow has helped ensure that this is no longer in breach and that the remaining facility has not been recalled.

The Director is satisfied that he was able to continue the group's investments in the student accommodation and hotel development markets during the year to 31 December 2020. The group is exploring new opportunities within residential and co-living sectors and the Director is optimistic that this prospect, together with the growing and strengthening relationships with senior lenders resulting from the successful sales of assets in 2021, will produce greater profitability from trading and from any future asset sales or refinances going forward.

Future prospects

From a management point of view, True Management Limited currently manages 2,175 beds (with a annualised revenue of £18.3m) and has a targeted growth by 2027 of 30,000 beds with an annualised revenue of c£290m (gross rent). The Group intends to launch Thrive, a Co-living brand, in Q1 2023, which is targeting to manage 10,000 beds by 2027.

From a development perspective Bricks have a significant pipeline of new build schemes for the student hotel and residential sectors. The group is targeting 2,500 beds per year (average yearly GDV in excess of £400m with a targeted profit of no less than 15% per site. The group is also introducing Utimefitness, the international fitness and leisure brand which will develop up to a 100 clubs in 5 years and Doza, the food and hospitality brand, will be part of the Swansea Student accommodation and is then targeted to Develop up to 100 sites in 5 years.

Finally, and importantly the Tristan JV Fund, with which the group and the Director has a good relationship through the sale of the assets in 2021, is looking to grow a substantial portfolio of assets, providing strong future opportunities for further close collaboration with the group.

This report was approved by the board on 23 August 2022

and signed on its behalf.



P G Prickett
Director

BRICKS CAPITAL HOLDINGS LIMITED

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.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated 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 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'. 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 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 for the Group's financial statements 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 Group 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £40,891,050 (2019 - £3,211,581).

Director

The director who served during the year was

P G Prickett

Future developments

The Group intends to continue to develop their portfolio of assets.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

BRICKS CAPITAL HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Post balance sheet events

Within the Group, there were various post balance sheet events up to the date of approval of these financial statements, summarised below:

- The entire share capital of subsidiary companies Bricks Silverstone Propco Limited and Bricks Silverstone Capital Limited were transferred on 9 March 2021 to a new group entity incorporated post year end, Bricks Silverstone Holdco 2 Limited which is indirectly owned by Bricks Silverstone Capital Limited.

- On 9 March 2021, the Hambros loan of £5.7m in Bricks Silverstone Propco Limited was repaid in full via a loan taken out in a new group entity incorporated post year end, Bricks Silverstone Holdco 1 Limited. On 9 March 2021, the company entered into a 12 month loan agreement with EVH Finance Limited for £20.8m with an interest rate of 9% per annum with an extended repayment date of 31 December 2022.

- On 6 August 2021, Bricks Leicester Propco Limited entered into a secured finance agreement with Fern Trading Group Limited for the provision of £40,948,063 to be used to fund the development of the property for its completion in March 2023. Interest on the finance is at 7% per annum. Security is held over the assets of Bricks Leicester Propco Limited, Bricks Leicester Capital Limited and Bricks Leicester Land Limited.

- On 13 September 2021, the entire issued share capital of Bricks Birmingham Capital Limited, Bricks Birmingham Propco Limited and Bricks Birmingham Opco Limited was sold to True Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 21 December 2021, the entire issued share capital of Bricks Glasgow Capital Limited, Bricks Glasgow Feuhold Limited, Bricks Glasgow Propco Limited and Bricks Glasgow Opco Limited was sold to Wizard Glasgow Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 21 December 2021, the entire issued share capital of Bricks Salford Quay Capital Limited, Bricks Salford Quay Land Limited, Bricks Salford Quay Propco Limited and Bricks Salford Quay Opco Limited was sold to Wizard Salford Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 25 May 2021, Bricks Norwich Land Limited completed on the purchase of land, held as a prepayment in these financial statements, for total consideration of £10,449,034 (excluding VAT).

- On 29 July 2022 the Bricks K2 Capital Limited sub-group, consisting of Bricks K2 Capital Limited, Newcastle Glassworks Limited, Bricks 5 Capital Limited and Newcastle Glassworks Management Limited was placed into administration as a result of an overdue loan owed to CIMC from Newcastle Glassworks Limited being recalled. The amount of the loan at that date was £11,753,635.

This report was approved by the board on 23 August 2022

and signed on its behalf.



P G Prickett
Director

BRICKS CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRICKS CAPITAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bricks Capital Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity 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, 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's affairs as at 31 December 2020 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 United Kingdom, including the Financial Reporting Council'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 2.3 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 2.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's or the Parent Company's ability 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.

BRICKS CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRICKS CAPITAL HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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. 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 course of 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.

Opinion 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 Director's 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 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BRICKS CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRICKS CAPITAL HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 4, 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 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 Director either intends to liquidate the Group or the Parent Company or to cease operations, or has 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 an Auditors' 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 Group 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, sales tax, payroll tax 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 to revenue 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 regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular journal entries posted around the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular regarding the property valuations.

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.

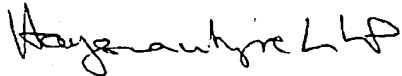
BRICKS CAPITAL HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRICKS CAPITAL HOLDINGS LIMITED
(CONTINUED)**

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 Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 Auditors

10 Queen Street Place
London
EC4R 1AG
Date: 23 August 2022

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	2,735,308	9,413,569
Cost of sales		(119,227)	(859,471)
Gross profit		2,616,081	8,554,098
Administrative expenses		(7,411,251)	(12,809,354)
Loss on disposal of fixed assets		-	(1,680,513)
Other operating income		181,770	-
Impairment (charge)/reversal on tangible fixed assets		(21,724,900)	430,860
Other operating charges		-	(98,840)
Operating loss	6	(26,338,300)	(5,603,749)
Profit on loss of control of subsidiaries		-	16,315,746
Interest payable and similar expenses	10	(15,301,475)	(13,370,275)
Loss before taxation		(41,639,775)	(2,658,278)
Tax on loss	11	(716,281)	-
Loss for the financial year		(42,356,056)	(2,658,278)
Unrealised surplus on revaluation of tangible fixed assets		26,300,251	-
Tax on revaluation of tangible fixed assets		(6,422,483)	4,866,740
Other comprehensive income for the year		19,877,768	4,866,740
Total comprehensive income for the year		(22,478,288)	2,208,462
(Loss)/profit for the year attributable to:			
Non-controlling interests		(1,465,006)	553,303
Owners of the parent Company		(40,891,050)	(3,211,581)
		(42,356,056)	(2,658,278)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(225,651)	553,303
Owners of the parent Company		(22,252,637)	1,655,159
		(22,478,288)	2,208,462

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	181,273	201,461
Tangible assets	13	241,827,286	155,800,722
Investment property	15	141,875	141,875
		<u>242,150,434</u>	<u>156,144,058</u>
Current assets			
Debtors: amounts falling due within one year	16	13,785,582	5,587,771
Cash at bank and in hand	17	1,413,636	1,614,701
		<u>15,199,218</u>	<u>7,202,472</u>
Creditors: amounts falling due within one year	18	(267,280,526)	(65,658,105)
Net current liabilities		<u>(252,081,308)</u>	<u>(58,455,633)</u>
Total assets less current liabilities		<u>(9,930,874)</u>	<u>97,688,425</u>
Creditors: amounts falling due after more than one year	19	(7,497,065)	(99,776,837)
Provisions for liabilities			
Deferred taxation	22	(9,518,508)	(2,379,747)
		<u>(9,518,508)</u>	<u>(2,379,747)</u>
Net liabilities		<u><u>(26,946,447)</u></u>	<u><u>(4,468,159)</u></u>

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	23	1,663	1,663
Revaluation reserve	24	27,694,240	9,055,827
Profit and loss account	24	(54,666,557)	(13,775,507)
Equity attributable to owners of the parent Company		<u>(26,970,654)</u>	<u>(4,718,017)</u>
Non-controlling interests		24,207	249,858
		<u>(26,946,447)</u>	<u>(4,468,159)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 August 2022.

Peter Prickett

P G Prickett
Director

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	14	472,629	472,629
		<u>472,629</u>	<u>472,629</u>
Current assets			
Debtors: amounts falling due within one year	16	36,344,682	20,169,986
Cash at bank and in hand	17	3,374	21
		<u>36,348,056</u>	<u>20,170,007</u>
Creditors: amounts falling due within one year	18	(45,508,339)	(18,896,043)
Net current (liabilities)/assets		<u>(9,160,283)</u>	<u>1,273,964</u>
Total assets less current liabilities		<u>(8,687,654)</u>	<u>1,746,593</u>
Creditors: amounts falling due after more than one year	19	-	(2,896,217)
Net liabilities		<u><u>(8,687,654)</u></u>	<u><u>(1,149,624)</u></u>
Capital and reserves			
Called up share capital	23	1,663	1,663
Profit and loss account brought forward		(1,151,287)	925,994
Loss for the year		(7,538,030)	(2,077,281)
Profit and loss account carried forward		<u>(8,689,317)</u>	<u>(1,151,287)</u>
		<u><u>(8,687,654)</u></u>	<u><u>(1,149,624)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 August 2022.

Peter Prickett

P G Prickett
Director

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2020	1,663	9,055,827	(13,775,507)	(4,718,017)	249,858	(4,468,159)
Comprehensive income for the year						
Loss for the year	-	-	(40,891,050)	(40,891,050)	(1,465,006)	(42,356,056)
Deferred tax on revaluation of property	-	(6,422,483)	-	(6,422,483)	-	(6,422,483)
Unrealised surplus on revaluation of tangible fixed assets	-	26,300,251	-	26,300,251	-	26,300,251
Unrealised surplus on revaluation of tangible fixed assets	-	(1,239,355)	-	(1,239,355)	1,239,355	-
Other comprehensive income for the year	-	18,638,413	-	18,638,413	1,239,355	19,877,768
Total comprehensive income for the year	-	18,638,413	(40,891,050)	(22,252,637)	(225,651)	(22,478,288)
At 31 December 2020	1,663	27,694,240	(54,666,557)	(26,970,654)	24,207	(26,946,447)

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2019	1,663	31,888,004	(37,486,248)	(5,596,581)	(580,040)	(6,176,621)
Comprehensive income for the year						
(Loss)/profit for the year	-	-	(3,211,581)	(3,211,581)	553,303	(2,658,278)
Deferred tax on revaluation of property	-	4,866,740	-	4,866,740	-	4,866,740
Other comprehensive income for the year	-	4,866,740	-	4,866,740	-	4,866,740
Total comprehensive income for the year	-	4,866,740	(3,211,581)	1,655,159	553,303	2,208,462
Transfer to/from profit and loss account	-	(27,698,917)	27,698,917	-	-	-
Acquisition of non-controlling interest	-	-	(776,595)	(776,595)	276,595	(500,000)
At 31 December 2019	1,663	9,055,827	(13,775,507)	(4,718,017)	249,858	(4,468,159)

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1,663	925,994	927,657
Comprehensive income for the year			
Loss for the year	-	(2,077,281)	(2,077,281)
At 1 January 2020	1,663	(1,151,287)	(1,149,624)
Comprehensive income for the year			
Loss for the year	-	(7,538,030)	(7,538,030)
At 31 December 2020	1,663	(8,689,317)	(8,687,654)

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(42,356,056)	(2,658,278)
Adjustments for:		
Amortisation of intangible assets	38,956	-
Depreciation of tangible assets	978,630	1,107,940
Loss on disposal of tangible assets	-	1,680,513
Interest paid	15,301,475	13,370,275
Taxation charge	716,281	-
Decrease/(increase) in stocks	-	(14,495)
(Increase) in debtors	(8,115,519)	(2,045,462)
(Decrease)/increase in creditors	(7,352,922)	27,735,173
Net fair value losses/(gains) recognised in P&L	21,724,900	(430,860)
Share of operating profit/(loss) in associates	-	(16,315,746)
Net cash generated from operating activities	<u>(19,064,255)</u>	<u>22,429,060</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(18,767)	(201,461)
Purchase of tangible fixed assets	(82,351,860)	(97,346,642)
Sale of tangible fixed assets	-	70,760,051
Purchase of non-controlling interest	-	(500,000)
HP capital repayments	(77,984)	-
Joint ventures interest received	-	(80,853)
Net cash from investing activities	<u>(82,448,611)</u>	<u>(27,368,905)</u>
Cash flows from financing activities		
New secured loans	118,739,241	59,912,005
Repayment of loans	(2,128,536)	(45,200,000)
Interest paid	(15,258,210)	(13,370,275)
HP interest paid	(43,265)	-
Net cash used in financing activities	<u>101,309,230</u>	<u>1,341,730</u>
Net (decrease) in cash and cash equivalents	<u>(203,636)</u>	<u>(3,598,115)</u>
Cash and cash equivalents at beginning of year	1,614,700	5,212,816
Cash and cash equivalents at the end of year	<u><u>1,411,064</u></u>	<u><u>1,614,701</u></u>

BRICKS CAPITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,413,636	1,614,701
Bank overdrafts	(2,572)	-
	<u>1,411,064</u>	<u>1,614,701</u>

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	New finance leases £	Re-allocation of debt £	At 31 December 2020 £
Cash at bank and in hand	1,614,701	(201,065)	-	-	1,413,636
Bank overdrafts	-	(2,572)	-	-	(2,572)
Debt due after 1 year	(99,776,837)	(44,508,703)	-	137,215,903	(7,069,637)
Debt due within 1 year	(8,666,891)	(72,100,149)	-	(137,215,903)	(217,982,943)
Finance leases	-	(77,984)	(1,383,364)	-	(1,461,348)
	<u>(106,829,027)</u>	<u>(116,890,473)</u>	<u>(1,383,364)</u>	<u>-</u>	<u>(225,102,864)</u>

The notes on pages 20 to 46 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Bricks Capital Holdings Limited is a private company limited by shares, company number 09451783, incorporated in England and Wales. The registered office is Ground Floor, 8-9 Bulstrode Place, London, W1U 2HY. The principal activity of the company is that of parent undertaking to a group of subsidiaries (together the "group") developing, owning, and operating hotels and purpose-built student accommodation.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on a going concern basis as the Director is satisfied that the Group 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.

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 Group's ability to continue as a going concern.

In the year to 31 December 2020, the Group generated losses of £42,356,056 and had net liabilities of £26,946,447 at that date. The Group is funded by several loans, the most significant of which is mezzanine finance due for repayment in August 2023, within 12 months from the date of approval of the Group financial statements. At the date of approving the Group financial statements the balance of the mezzanine finance, including accrued interest, totals £120,603,132 (due August 2023). At the date of approving the financial statements the intention is to repay the balance of this loan through the sale of assets within the Group to third parties, however these sales have not crystallised at the date of approval of the financial statements. In addition to providing funding for the development of

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern (continued)

student accommodation and hotel assets, the mezzanine finance is used to cover the administrative overheads of the Group.

Additionally, within the Group there are senior debt facilities which are due for repayment within 12 months of the dates of approval of the financial statements. There is a risk that the lenders recall any debts due to them and the Group is unable to meet these repayments. Until the sales of the relevant assets have been finalised, the Director recognises that a material uncertainty with respect to going concern exists. At the date of approval of the financial statements, secured loans, including accrued interest, which are due for repayment within 12 months of that date, total £196 million.

Although the Director is strongly of the view that the Group will be able to operate as a going concern, he recognises that the above may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Rental income from accommodation is credited to the profit and loss account on a straight-line basis over the rental term. Where payments are received from customers in advance of the services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

2.5 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 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.

2.9 Borrowing costs

Borrowing costs on finance used for the development of assets under the course of construction are capitalised in the Consolidated Balance Sheet up to the point of completion of the property. Upon completion, all subsequent borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life.

Amortisation is charged once ready for intended use and intangible assets are amortised over 5 years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold and long leasehold property	- 2% straight line
Fixtures and fittings	- 33% straight line
Land	- No depreciation is charged on land

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Assets under the course of construction

Assets under the course of construction are held as tangible fixed assets at historical cost less any accumulated impairment losses. Historical costs include expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is not provided until such a time that the asset is capable of operating in the manner intended by management. Upon completion of the asset, the asset will be carried at fair value determined annually by the directors.

2.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence by the Director based upon valuations performed by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.16 Investment property

Investment property is carried at fair value determined annually by the Director based on reports from external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 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.

2.19 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 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.

2.21 Financial instruments

The Group 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 out-right 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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other apparent sources. The estimates and associated assumptions are based on experience and other factors considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimations that the Director has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Valuation of land and buildings

The valuation of land and buildings is estimated by the Director, having obtained an annual valuation of the assets by external valuers. The primary source of evidence of land and buildings valuations is recent, comparable market transactions on an arms-length basis. An adjustment to any of these assumptions could lead to a material change in the valuation. There is significant judgment as to the indicators of the valuation of land and buildings as they are based upon valuer assumptions which may prove to be inaccurate.

Valuation of investment property

The valuation of investment property is estimated by the Director, based upon market evidence and yields. An adjustment to any assumptions made could lead to a material change in the valuation. There is significant judgment as to the indications of the valuation of investment property.

Recoverability of amounts owed by group undertakings

The Director assesses the recoverability of amounts owed by group undertakings by considering the net asset position of the Group as a whole, based on the prospective gross development values of the assets should they be sold and has determined that all debts are recoverable.

Depreciation

The useful economic lives of tangible fixed assets are based on management's judgment and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is added retrospectively. Due to the significance of tangible fixed assets to the Group, variances between actual and estimated useful economic lives could impact on the operating results both positively and negatively.

Tax

The current tax charge has been based upon the Director's most probable view of the appropriate interpretation of existing tax legislation and case law effective as at the year-end after having considered relevant professional advice. In the event that HMRC interpretation differs or new case law is announced, the outcome might diverge from that expected.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Hotel income	-	4,333,315
Student accommodation income	2,735,308	4,808,813
Other income	-	271,441
	<u>2,735,308</u>	<u>9,413,569</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	2,735,308	9,413,569
	<u>2,735,308</u>	<u>9,413,569</u>

5. Other operating income

	2020 £	2019 £
Government Grant	181,770	-
	<u>181,770</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Pension costs	23,167	29,034
Other operating lease rentals	712,203	813,447
Depreciation charge for the year	978,360	1,107,940
	<u></u>	<u></u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	471,200	247,750
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	257,400	78,000
All other services	12,860	39,600
	270,260	117,600

8. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,948,849	2,929,368	-	-
Social security costs	203,494	256,031	-	-
Cost of defined contribution scheme	23,167	29,034	-	-
	2,175,510	3,214,433	-	-

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Employees	50	97	1	1

9. Director's remuneration

	2020 £	2019 £
Director's emoluments	-	33,070
	-	33,070

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Interest payable and similar expenses

	2020 £	2019 £
Bank and other loan interest payable	15,301,475	13,370,275
	<u>15,301,475</u>	<u>13,370,275</u>

11. Taxation

	2020 £	2019 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	716,281	-
Total deferred tax	<u>716,281</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>716,281</u>	<u>-</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(41,639,775)	(2,658,278)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(7,911,557)	(505,073)
Effects of:		
Fixed asset differences	3,720,648	(806,746)
Expenses not deductible for tax purposes	6,745,192	(2,961,617)
Other permanent differences	40	(1,070)
Deferred tax credited/(charged) to OCI	(6,422,483)	5,234,319
Adjustments to deferred tax from average rates	301,289	512,298
Deferred tax not recognised	(757,568)	(879,875)
Current tax charged to OCI	-	(367,579)
Adjustments in respect of prior periods	(32,686)	-
Capital gains	5,073,406	(224,657)
Total tax charge for the year	716,281	-

The current tax charge has been based on the most probable view of the interpretation of existing tax legislation and case law.

The tax charge included within Other Comprehensive Income of £6,422,483 (2019: £4,866,740) is made up of a £6,422,483 charge (2019: £5,234,319 credit) to deferred tax and a £nil (2019: £367,579) current tax charge.

Factors that may affect future tax charges

In the Budget announcement on 3 March 2021, the Chancellor announced the intention to increase the main rate of UK corporation tax to 25% for the financial year beginning 1 April 2023. This was not substantively enacted at the balance sheet date.

Deferred tax at the balance sheet date has been measured using the enacted rate of 19% (2019: 17%) in these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Intangible assets

Group

	Computer software £
Cost	
At 1 January 2020	201,461
Additions	29,568
Disposals	(10,800)
At 31 December 2020	<u>220,229</u>
Amortisation	
At 1 January 2020	-
Charge for the year on owned assets	38,956
At 31 December 2020	<u>38,956</u>
Net book value	
At 31 December 2020	<u><u>181,273</u></u>
At 31 December 2019	<u><u>201,461</u></u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

Group

	Freehold land & property £	Long-term leasehold property £	Fixtures and fittings £	Assets under the course of construction £	Total £
Cost or valuation					
At 1 January 2020	45,851,728	10,170,000	258,930	99,614,830	155,895,488
Additions	178,602	-	1,628,288	80,622,954	82,429,844
Transfers between classes	67,930,466	-	-	(67,930,466)	-
Revaluations	24,259,205	(2,370,000)	-	-	21,889,205
At 31 December 2020	138,220,001	7,800,000	1,887,218	112,307,318	260,214,537
Depreciation					
At 1 January 2020	-	-	94,766	-	94,766
Charge for the year on owned assets	510,717	226,000	241,913	-	978,630
Impairment charge	-	-	-	18,050,572	18,050,572
On revalued assets	(510,717)	(226,000)	-	-	(736,717)
At 31 December 2020	-	-	336,679	18,050,572	18,387,251
Net book value					
At 31 December 2020	138,220,001	7,800,000	1,550,539	94,256,746	241,827,286
At 31 December 2019	45,851,728	10,170,000	164,164	99,614,830	155,800,722

Interest costs of £15,415,392 were capitalised during the year (2019: £1,234,570).

The revaluation of freehold land & property of £24,259,205 includes a revaluation loss of £1,530,329 which has been recognised in the impairment of tangible fixed assets in the Statement of Comprehensive Income. The gross revaluation recognised in Other Comprehensive Income from freehold land & property, including the impact of the revaluation on depreciation, is £26,300,251 (2019: £nil).

The revaluation on long-term leasehold property, net of the depreciation charge for the year, is recognised in the impairment of tangible fixed assets in the Statement of Comprehensive income.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	138,220,001	45,851,728
Long leasehold	7,800,000	10,170,000
	<u>146,020,001</u>	<u>56,021,728</u>

Finance leases

Included above are assets held under finance leases or hire purchase contracts with a net book value as follows:

Fixtures and fittings: £1,200,185 (2019: £nil). Depreciation charged on these assets in the year was £212,635 (2019: £nil).

If the Freehold land & property and Long-term leasehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Group		
Cost	106,744,818	38,814,352
Accumulated depreciation	(1,622,079)	(831,743)
Net book value	<u>105,122,739</u>	<u>37,982,609</u>

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2020	472,629
At 31 December 2020	<u>472,629</u>
Net book value	
At 31 December 2020	<u>472,629</u>
At 31 December 2019	<u>472,629</u>

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Bricks Residential Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
TFT Mortgages Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Norwich Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Swansea Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Developments Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Inverness Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Ebenezer Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Wizard Birmingham Capital Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Capital (UK) Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Westhill Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks D2 Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks K Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LCA Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Pure Corporate Finance Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Pure Private Finance Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Pure Capital Partners Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
True Coliving Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
True Student Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
CoTrue Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
CoTrue Living Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Stay True Living Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Live True Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments (continued)**Direct subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Stay True (Bricks) Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Salford 2 Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Leicester Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks K3 Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks K4 Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks K2 Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Glasgow Capital Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Salford Quay Capital Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Nelson Gate Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Cornbrook Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Silverstone Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Bricks Norwich Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Norwich Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Norwich Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Swansea Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Swansea Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Swansea Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Inverness Feuhold Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Inverness Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Inverness Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Ebenezer Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Ebenezer Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Ebenezer Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Birmingham Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Wizard Birmingham Propco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Wizard Birmingham Opco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
LSK Holdco 2 Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LSK Holdco 1 Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LSK Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LSKP Developments Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LSK Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LSK Opco Communal Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Crown International Estates Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LCA Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LCA Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
LCA Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Salford 2 Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Salford 2 Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Salford 2 Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Leicester Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Leicester Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Nelson Gate Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Nelson Gate Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Nelson Gate Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Cornbrook Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Cornbrook Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Cornbrook Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Salford Quay Land Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Salford Quay Propco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Salford Quay Opco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Silverstone Holdco 1 Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Silverstone Holdco 2 Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Silverstone Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Bricks Silverstone Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Silverstone Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Glasgow Feuhold Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB	Ordinary	95%
Bricks Glasgow Propco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%
Bricks Glasgow Opco Limited	8th Floor, Berkeley Square House, Berkeley Square, London, W1J 6DB*	Ordinary	95%

* At 31 December 2020, the registered office was 8-9 Bulstrode Place, London, W1U 2HY.

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2020	141,875
At 31 December 2020	<u>141,875</u>

The 2020 valuations were made by the director, on an open market value for existing use basis.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	67,865	78,603	-	-
Amounts owed by group undertakings	-	-	36,164,507	20,163,273
Amounts owed by related parties	82,292	-	82,292	-
Other debtors	1,217,414	2,787,845	97,883	10
Prepayments and accrued income	12,418,011	2,721,323	-	-
Grants receivable	-	-	-	6,703
	<u>13,785,582</u>	<u>5,587,771</u>	<u>36,344,682</u>	<u>20,169,986</u>

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	1,413,636	1,614,701	3,374	21
Less: bank overdrafts	(2,572)	-	-	-
	<u>1,411,064</u>	<u>1,614,701</u>	<u>3,374</u>	<u>21</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	2,572	-	-	-
Other loans (secured)	217,982,943	8,666,891	7,306,396	-
Trade creditors	13,366,140	31,261,950	15,430	213,194
Amounts owed to group undertakings	-	-	29,292,669	17,063,909
Amounts owed to related parties	17,877,900	18,974,287	7,033,693	-
Corporation tax	367,579	367,582	-	-
Other taxation and social security	135,262	442,177	-	17,266
Obligations under finance lease and hire purchase contracts	1,033,920	-	-	-
Other creditors	-	539,487	172,056	-
Accruals and deferred income	16,514,210	5,405,731	1,688,095	1,601,674
	<u>267,280,526</u>	<u>65,658,105</u>	<u>45,508,339</u>	<u>18,896,043</u>

Included within other loans due within one year is £137,215,903 (2019: £nil) owed to Roundshield. At 31 December 2020 there was a technical breach in the loan to value covenant required by the loan agreement and so the amount due has been disclosed within creditors falling due within one year to reflect that it is payable on demand. Since the year-end, Roundshield has not recalled the loan as a result of the breach.

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans (secured)	7,069,637	99,776,837	-	2,896,217
Net obligations under finance leases and hire purchase contracts	427,428	-	-	-
	<u>7,497,065</u>	<u>99,776,837</u>	<u>-</u>	<u>2,896,217</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Loans

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Other loans	217,982,943	8,666,891	7,306,396	-
Amounts falling due 1-2 years				
Other loans	7,069,637	10,385,646	-	-
Amounts falling due 2-5 years				
Other Loans	-	89,391,191	-	2,896,217
	<u>225,052,580</u>	<u>108,443,728</u>	<u>7,306,396</u>	<u>2,896,217</u>

Roundshield Loan

In August 2018 an agreement was completed between Bricks Capital Holdings Limited and Roundshield Lender for a maximum facility of £75m, this was extended to £100m in May 2020. The loan is repayable by August 2023, with an interest rate of 20%. The total amount payable, including accrued and capitalised interest as at 31 December 2020 was £137,215,903 (2019: £89,391,191). Capitalised interest recognised in amounts payable as at 31 December 2020 totals £15,415,392 (2019: £1,234,570).

RGCM Limited

In August 2019 an agreement was completed between Bricks Capital Holdings Limited and RGCM Limited for a maximum facility of £3m. The loan is repayable within 3 months from the date of Certificate of Practical Completion. The total amount payable at the year end totals £3,807,123 (2019: £3,205,479). Interest is charged at 20%.

CIMC Leasing Transport Limited

In February 2015 an agreement was entered into by Newcastle Glassworks Limited and CIMC Leasing Transport Limited for a maximum facility of £9,310,242. The loan was repayable in March 2019 but is overdue at the year end. The total amount payable at the year end totals £9,770,526 (2019: £8,666,891). Interest is charged at 6.7% plus LIBOR. Post year end this has been recalled as detailed in the post balance sheet event note.

Fern Trading Limited

In September 2019 an agreement was entered between Bricks Glasgow Propco Limited and Fern Trading Limited for a maximum facility of £20,520,721. The loan was repaid in full on the sale of the company in December 2021 as detailed in the post balance sheet event note. The total amount payable at the year end totals £12,533,792 (2019: £2,128,536). Interest is charged at 6%.

In December 2019 an agreement was entered into between Bricks Birmingham Propco Limited and Fern Trading Limited for a maximum facility of £25,899,299. The loan was repaid in full on the sale of the company in December 2021 as detailed in the post balance sheet event note. The total amount payable at the year end totals £22,266,270 (2019: £5,051,631). Interest is charged at 6%.

TMN Contractors Limited

In December 2020 an agreement was entered between Bricks Silverstone Capital Limited and TMN Contractors Limited for a facility of £50,000. The loan is repayable in December 2022. The total amount payable at the year end totals £50,000 (2019: nil). Interest is charged at 1% per month.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Hambros Secured Lending Limited

In February 2020 an agreement was entered between Bricks Silverstone Propco Limited and Hambros Secured Lending Limited for a maximum facility of £5,540,000. The loan is repayable in October 2020 and was repaid post year end in March 2021. The total amount payable at the year end totals £5,722,500 (2019: nil). Interest is charged at 1.5% per month.

Harbour Lending Limited

In October 2020 an agreement was entered between Bricks Swansea Propco and Harbour Lending Limited for a maximum facility of £34,107,891. At the year end, the loan was due within 12 months of the reporting date, and therefore is disclosed as a current liability. In 2022, the loan was refinanced with an extended repayment date of September 2023. The total amount payable at the year end totals £7,019,637 (2019: nil). Interest is charged at 6.25%.

Urban Exposure

In December 2019 an agreement was entered between Bricks Salford Quay Propco and Urban Exposure for a maximum facility of £28,700,000. The loan was repaid in full on the sale of the company in December 2021 as detailed in the post balance sheet event note. The total amount payable at the year end totals £26,670,325 (2019: nil). Interest is charged at 6.75% plus LIBOR.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	1,033,920	-
Between 1-5 years	427,428	-
	<u>1,461,348</u>	<u>-</u>

22. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(2,379,747)	(7,614,066)
Charged to profit or loss	(716,281)	-
Released/(charged) to other comprehensive income	(6,422,480)	5,234,319
At end of year	<u>(9,518,508)</u>	<u>(2,379,747)</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Deferred taxation (continued)

	Group 2020 £	Group 2019 £
Capital gains	(9,518,508)	(2,379,747)
	<u>(9,518,508)</u>	<u>(2,379,747)</u>

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid 1,663 (2019 - 1,663) Ordinary shares of £1.00 each	<u>1,663</u>	<u>1,663</u>

24. Reserves

Revaluation reserve

Relates to accumulated revaluation gains of fixed assets.

Profit and loss account

Relates to accumulated surpluses, including investment property revaluations, of the Group less any dividends.

25. Contingent liabilities

Within the Group, the following contingent liabilities were disclosed in the subsidiary financial statements:

Bricks K4 Capital Limited

In the year ended 31 December 2016, the company claimed group relief from a fellow group company of £1,635,762 which reduced the company's liability to corporation tax by c£327,000. The director of the company is aware that HMRC has enquired into the tax deductibility of certain expenses in the surrendering company. If HMRC's challenge is partly, or wholly, successful, some, or all, of the group relief surrendered to the company will be withdrawn with a consequent increase in the company's corporation tax liability for that year. However, the overall impact will also depend upon the extent to which HMRC permits the group to reopen previously closed computations and/or allow further tax reliefs to be claimed.

Any increase in the corporation tax liability for the year will expose the company to interest and, possibly, penalties on the underpaid tax.

The director understands that the surrendering company is challenging the proposed denial of relief and, at the date of signing these financial statements, is unable to quantify the likely outcome of the correspondence with HMRC. Accordingly, he is unable to estimate the financial impact on the company's liabilities.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £23,167 (2019: £29,034). Contributions totalling £8,779 (2019: £8,355) were payable to the fund at the balance sheet date and are included in creditors.

27. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	532,099	458,440
Later than 1 year and not later than 5 years	2,128,396	1,436,437
Later than 5 years	191,999,444	190,525,430
	<u>194,659,939</u>	<u>192,420,307</u>

Included in the above, the Group have a long-term lease for the ground rents of £192,000 per annum until the year 3014.

28. Related party transactions

The senior management team are considered to be the key management personnel of which the 4 individuals were remunerated £155,132 (2019: £287,050).

Peter Prickett, the ultimate controlling party, holds an outstanding loan to the Group. Payments of £1,764 (2019: £nil) have been made in the year. At the year end, the Group owed Peter Prickett £6,178,203 (2019: £6,179,877).

Bricks Capital Limited, the Hong Kong based parent company of the Group, has provided a loan to the Group. Payments of £1,176,973 (2019: £nil) have been made in the year. At the year end, the Group owed Bricks Capital Limited £10,330,163 (2019: £11,507,136).

Pinnacle Property Limited, a Hong Kong based company owned by Peter Prickett, has provided a loan to the Group. Payments of £nil (2019: £nil) have been made in the year. At the year end, the Group owed Pinnacle Property Limited £1,287,253 (2019: £1,287,253).

All related party loans bear no interest.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

29. Post balance sheet events

Within the Group, there were various post balance sheet events up to the date of approval of these financial statements, summarised below:

- The entire share capital of subsidiary companies Bricks Silverstone Propco Limited and Bricks Silverstone Capital Limited were transferred on 9 March 2021 to a new group entity incorporated post year end, Bricks Silverstone Holdco 2 Limited which is indirectly owned by Bricks Silverstone Capital Limited.

- On 9 March 2021, the Hambros loan of £5.7m in Bricks Silverstone Propco Limited was repaid in full via a loan taken out in a new group entity incorporated post year end, Bricks Silverstone Holdco 1 Limited. On 9 March 2021, the company entered into a 12 month loan agreement with EVH Finance Limited for £20.8m with an interest rate of 9% per annum with an extended repayment date of 31 December 2022.

- On 6 August 2021, Bricks Leicester Propco Limited entered into a secured finance agreement with Fern Trading Group Limited for the provision of £40,948,063 to be used to fund the development of the property for its completion in March 2023. Interest on the finance is at 7% per annum. Security is held over the assets of Bricks Leicester Propco Limited, Bricks Leicester Capital Limited and Bricks Leicester Land Limited.

- On 13 September 2021, the entire issued share capital of Bricks Birmingham Capital Limited, Bricks Birmingham Propco Limited and Bricks Birmingham Opco Limited was sold to True Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 21 December 2021, the entire issued share capital of Bricks Glasgow Capital Limited, Bricks Glasgow Feuhold Limited, Bricks Glasgow Propco Limited and Bricks Glasgow Opco Limited was sold to Wizard Glasgow Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 21 December 2021, the entire issued share capital of Bricks Salford Quay Capital Limited, Bricks Salford Quay Land Limited, Bricks Salford Quay Propco Limited and Bricks Salford Quay Opco Limited was sold to Wizard Salford Sub Holding Limited, whose ultimate parent is Tristan Capital Partners LLP, a Limited Liability Partnership registered at Berkerley Square House, 8th Floor, Berkerley Square, London, W1J 6DB. The value of the share capital in the companies sold was £400. At the point of sale, the intercompany balances and bank loans were settled in full.

- On 25 May 2021, Bricks Norwich Land Limited completed on the purchase of land, held as a prepayment in these financial statements, for total consideration of £10,449,034 (excluding VAT).

- On 29 July 2022 the Bricks K2 Capital Limited sub-group, consisting of Bricks K2 Capital Limited, Newcastle Glassworks Limited, Bricks 5 Capital Limited and Newcastle Glassworks Management Limited was placed into administration as a result of an overdue loan owed to CIMC from Newcastle Glassworks Limited being recalled. The amount of the loan at that date was £11,753,635.

30. Controlling party

The ultimate controlling party is Peter Prickett.