

Registered number: 09451783

BRICKS CAPITAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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BRICKS CAPITAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P G Prickett N J Pike (appointed 28 April 2023)
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 2021

Introduction

The directors present their group strategic report for the year ended 31 December 2021.

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 2021 has shown strong signs of recovery following the downturn of the previous year caused by the effects of the global pandemic. Following the easing of the national and global lockdown the Group has seen the return of students, especially international students, staying for the 21/22 academic year and the Marriott Courtyard at London City was fully opened having previously been limited to early quarantine business. Construction work on the development sites which had been severely hampered in 2020 recommenced, with True Swansea and the Hilton Garden Inn opening in 2022. Following the year end, the group has been able to secure favourable senior development financing from three different financiers for Salford 2, Silverstone & Swansea. This has enabled the group to continue to grow the development pipeline. Turnover, a key performance indicator for the group, has increased by £7,456,840 in the year to £10,192,148 as a result of increased student rental income in the year, and the Courtyard by Marriott Hotel being operational for 11 months of the year. At 31 December 2021, the Consolidated Balance Sheet shows a net liability position of £34,123,729, compared to net liabilities of £26,946,447 in 2020. This increase is the result of new funding obtained in the year, as well as the disposal of completed student accommodation sites in Birmingham, Salford Quays and Glasgow. The sale of these sites has given rise to a profit on disposal of £18,631,552. There are consolidated net current liabilities of £192,932,951 at 31 December 2021 (2020: £252,081,308), the reduction year on year is mainly due to the sale of three assets and repayment of subsequent loans.

During the year to 31 December 2021, the company sold 3 properties in share sales, Salford Quay, Birmingham and Glasgow to Tristan.

In the year, the group ended with one owned operational purpose-built student accommodation (PBSA) development managed through the True Student Branding. It also had one fully operational hotel property, one in development and 6 managed Student accommodation properties all listed below;

- Newcastle (owned - operational for entire year. Post year end the subgroup in which this property sits was placed into administration as detailed in note 30)
- Birmingham (managed (owned until Sept 2021) - operational for entire year)
- Salford Quays (managed (owned until 21 December 2021- operational from 30 September 2021)
- Glasgow (managed (owned until 21 December 2021) - operational from September 2021)
- Newcastle OpTo (managed - operational from February 2021)
- Liverpool (managed - operational from September 2021)
- The Courtyard by Marriott Hotel at London City Airport (owned - operational from February 2021)
- The Hilton Garden Inn Silverstone (owned - operational from September 2022)

2021 also saw the opening of the first "Doza" branded restaurant in Liverpool, with Swansea Doza opening in 2022.

As reported in the Statement of Comprehensive Income for the year to 31 December 2021, there was an operating profit of £4,432,672 (Loss 2020: £26,338,300), which included a reversal of past impairments to fixed assets held at cost and assets under the course of construction. The reversal of past impairments is a result of third party valuations determining the current market value to be higher than the carrying value of the assets as at 31 December 2021. Simultaneously, there are unrealised surpluses on revaluation of freehold land and properties of £7,531,435 (2020: £26,300,251) which have been recognised as other comprehensive income, similarly driven by independently provided valuations.

BRICKS CAPITAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The decrease in tangible fixed assets, as shown in the Consolidated Balance Sheet, is driven by the sale of three student accommodation sites during the year, alongside the fair value movements and surpluses on revaluation in the year. Interest costs of £13,364,190 (2020: £15,415,392) were capitalised during the year.

During 2021 the group sold 3 subsidiary sub-groups 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 directors' long-term objective remains to hold and operate the hotels and purpose-built student accommodation within the group at 31 December 2021.

A further three student accommodation developments are under way. One development has partially opened in September 2022 (Swansea), with full opening in March 2023 and the remaining two in August 2023 (Leicester and DQ2, a second Salford Quays site). A further Hotel development (Hilton Garden Inn Silverstone racetrack) has opened in September 2022. There are three additional acquired sites expected to open in August 2025 (Sheffield) and August 2025 (Norwich and Nottingham) as part of the new group structure, in effect from 21 April 2022. These are held under the related company, Bricks Capital Holdings 2 Limited, which has the same immediate parent as the Company, Bricks Group Holdings Limited.

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 the number of management contracts for third-party sites. Most recently True Student has been awarded the management contract for a third-party site, Gilbert Street, Glasgow (99 rooms), currently in mobilisation phase and to be managed from academic year 2023/24 once the site is fully developed.

The directors continue 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.

Principal risks and uncertainties

The directors have 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 directors.

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 directors are 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 £173,565,605 (including accrued interest) at the balance sheet date and which are due for repayment within 12 months of that date. The directors are confident that the facilities will be extended, or alternative lending can be secured and is holding active discussions with lenders to manage the situation. Note 2.3 in the financial statements gives further analysis of the going concern assessment prepared by the directors.

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 directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

BRICKS CAPITAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 2021, there was one an active hotel site in the group. The key performances indicators used are Average Occupancy, Average room rate (ARR) & Cost per occupied room (CPOR). For 2021 these KPIs are distorted as the hotel opened November 2021 and only had pre-contracted Covid Quarantine related business.

The key performance indicators reported at that date relating to student accommodation sites are occupancy rates, average room rates per week, average tenancy length and average cost per bed per week. For the 2021/2022 academic year, excluding Swansea which was still in partial development (Swansea did not open until September 2022 so falls into the 2022/2023 academic year), the group's occupancy rate was 98%.

The loan to value ratio covenant for the loan facility is a key performance indicator. This was in technical breach at 31 December 2021 with the total borrowings of the group exceeding 75% of the market value of the sites at 31 December 2021. Whilst this is a technical breach, the loan facility has not been recalled.

The directors are 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 2021. The group is exploring new opportunities within residential and co-living sectors and the directors are 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.

BRICKS CAPITAL HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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).

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, an international fitness and leisure brand with a view to develop up to a 100 clubs over the next 5 years in the UK and Doza, a Pizza and Doughnut outlet brand, which can be positioned at Student accommodation or on the High Street as a potential Franchising opportunity. Currently there are open Doza sites open at Swansea and Liverpool.

This report was approved by the board on 9 June 2023 and signed on its behalf.



P G Prickett
Director

BRICKS CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £10,080,641 (2020 - loss £40,891,050).

Directors

The director who served during the year was:

P G Prickett

N J Pike was appointed as a director on 28 April 2023.

Future developments

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director 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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Post balance sheet events

Bricks Salford 2 Propco Limited

On 7 July 2022 the company completed on a financing arrangement cross-guaranteed by its group companies for £43.5m. Interest is charged at 25% per annum and the loan is secured over the assets of the company.

Bricks Salford 2 Land Limited

On 11 February 2022 the Company completed on the long term lease of land and building on King William Street, Salford for £7.0m.

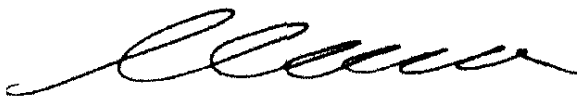
K2 Capital Limited

On 29 July 2022 the *Bricks K2 Capital Limited sub-group, consisting of Bricks K2 Capital Limited, Newcastle Glassworks Limited, Bricks K5 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.

Bricks Group Holdings Limited

On 21 April 2022, the entire share capital of the Company was transferred to a newly incorporated entity, Bricks Group Holdings Limited, a private company with its registered office at 8-9 Bulstrode Place, London, United Kingdom. The reorganisation of the group was performed to access further funding and enable further expansion of new PBSA and hotel sites.

This report was approved by the board on 9 June 2023 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 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group 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 2021 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 directors have taken into account in their 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors 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 directors are 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 Directors' 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 Directors' 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 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BRICKS CAPITAL HOLDINGS LIMITED

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

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, using artificial intelligence where possible to analyse all journals posted in the year and to detect expectations and risks of management override of controls; 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.

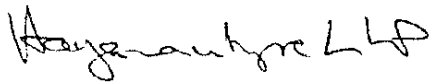
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

BRICKS CAPITAL HOLDINGS LIMITED

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

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: 9 June 2023

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	10,192,148	2,735,308
Cost of sales		(1,124,738)	(119,227)
Gross profit		9,067,410	2,616,081
Administrative expenses		(15,902,080)	(7,411,251)
Other operating income	5	341,352	181,770
Impairment reversal/(charge) on tangible fixed assets		10,925,990	(21,724,900)
Operating profit/(loss)	6	4,432,672	(26,338,300)
Profit on sale of subsidiaries	27	18,631,552	-
Interest payable and similar expenses	10	(26,150,020)	(15,301,475)
Loss before taxation		(3,085,796)	(41,639,775)
Tax on loss	11	(7,190,781)	(716,281)
Loss for the financial year		(10,276,577)	(42,356,056)
Unrealised surplus on revaluation of tangible fixed assets		7,531,435	26,300,251
Tax on revaluation of tangible fixed assets		(1,444,959)	(6,422,483)
Other comprehensive income for the year		6,086,476	19,877,768
Total comprehensive income for the year		(4,190,101)	(22,478,288)
Loss for the year attributable to:			
Non-controlling interests		(195,936)	(1,465,006)
Owners of the parent Company		(10,080,641)	(40,891,050)
		(10,276,577)	(42,356,056)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(195,936)	(225,651)
Owners of the parent Company		(3,994,165)	(22,252,637)
		(4,190,101)	(22,478,288)

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	148,900	181,273
Tangible assets	13	181,177,239	241,827,286
Investment property	15	141,875	141,875
		<u>181,468,014</u>	<u>242,150,434</u>
Current assets			
Stocks	16	3,561	-
Debtors: amounts falling due within one year	17	9,126,877	13,785,583
Cash at bank and in hand	18	1,324,666	1,413,636
		<u>10,455,104</u>	<u>15,199,219</u>
Creditors: amounts falling due within one year	19	(200,400,874)	(267,280,527)
Net current liabilities		<u>(189,945,770)</u>	<u>(252,081,308)</u>
Total assets less current liabilities		<u>(8,477,756)</u>	<u>(9,930,874)</u>
Creditors: amounts falling due after more than one year	20	(11,558,364)	(7,497,065)
Provisions for liabilities			
Deferred taxation	24	(11,100,428)	(9,518,508)
		<u>(11,100,428)</u>	<u>(9,518,508)</u>
Net liabilities		<u><u>(31,136,548)</u></u>	<u><u>(26,946,447)</u></u>

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	25	1,663	1,663
Revaluation reserve	26	33,677,937	27,694,240
Profit and loss account	26	(64,747,198)	(54,666,557)
Equity attributable to owners of the parent Company		<u>(31,067,598)</u>	<u>(26,970,654)</u>
Non-controlling interests		(68,950)	24,207
		<u>(31,136,548)</u>	<u>(26,946,447)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2023



P G Prickett
Director

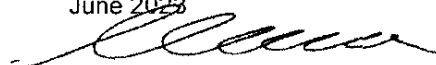
The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 09451783

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	109,844	472,629
		<u>109,844</u>	<u>472,629</u>
Current assets			
Debtors: amounts falling due within one year	17	37,049,122	36,344,683
Cash at bank and in hand	18	39,592	3,374
		<u>37,088,714</u>	<u>36,348,057</u>
Creditors: amounts falling due within one year	19	(52,121,994)	(45,508,340)
Net current liabilities		<u>(15,033,280)</u>	<u>(9,160,283)</u>
Total assets less current liabilities		<u>(14,923,436)</u>	<u>(8,687,654)</u>
Net liabilities		<u>(14,923,436)</u>	<u>(8,687,654)</u>
Capital and reserves			
Called up share capital	25	1,663	1,663
Profit and loss account brought forward		(8,689,317)	(1,151,287)
Loss for the year		(6,235,782)	(7,538,030)
Profit and loss account carried forward		<u>(14,925,099)</u>	<u>(8,689,317)</u>
		<u>(14,923,436)</u>	<u>(8,687,654)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2022



P G Prickett
Director

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	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 2021	1,663	27,694,240	(54,666,557)	(26,970,654)	24,207	(26,946,447)
Comprehensive income for the year						
Loss for the year	-	-	(10,080,641)	(10,080,641)	(195,936)	(10,276,577)
Deferred tax on revaluation of property	-	(1,444,959)	-	(1,444,959)	-	(1,444,959)
Unrealised surplus on revaluation of tangible fixed assets	-	7,531,435	-	7,531,435	-	7,531,435
Unrealised surplus on revaluation of tangible fixed assets	-	(102,779)	-	(102,779)	102,779	-
Other comprehensive income for the year	-	5,983,697	-	5,983,697	102,779	6,086,476
Total comprehensive income for the year	-	5,983,697	(10,080,641)	(4,096,944)	(93,157)	(4,190,101)
Total transactions with owners	-	-	-	-	-	-
At 31 December 2021	1,663	33,677,937	(64,747,198)	(31,067,598)	(68,950)	(31,136,548)

The notes on pages 22 to 48 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)/profit 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)
Surplus on revaluation of other fixed assets	-	26,300,251	-	26,300,251	-	26,300,251
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)
Total transactions with owners	-	-	-	-	-	-
At 31 December 2020	<u>1,663</u>	<u>27,694,240</u>	<u>(54,666,557)</u>	<u>(26,970,654)</u>	<u>24,207</u>	<u>(26,946,447)</u>

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1,663	(8,689,317)	(8,687,654)
Comprehensive income for the year			
Loss for the year	-	(6,235,782)	(6,235,782)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(6,235,782)	(6,235,782)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	<u>1,663</u>	<u>(14,925,099)</u>	<u>(14,923,436)</u>

The notes on pages 22 to 48 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 2020	1,663	(1,151,287)	(1,149,624)
Comprehensive income for the year			
Loss for the year	-	(7,538,030)	(7,538,030)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(7,538,030)	(7,538,030)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<hr/> 1,663 <hr/>	<hr/> (8,689,317) <hr/>	<hr/> (8,687,654) <hr/>

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(10,276,577)	(42,356,056)
Adjustments for:		
Amortisation of intangible assets	42,372	38,956
Depreciation of tangible assets	1,498,486	978,630
Impairments of fixed assets	(10,925,990)	21,724,900
Loss on disposal of tangible assets	18,824	-
Interest paid	26,150,020	15,301,475
Taxation charge	7,190,781	716,281
Decrease/(increase) in debtors	3,197,775	(8,115,519)
Increase/(decrease) in creditors	2,261,274	(7,352,922)
(Increase) in stocks	(3,561)	-
Profit on sale of subsidiaries	(18,631,552)	-
Corporation tax (paid)/received	(41)	-
Net cash generated from/(consumed by) operating activities	<u>521,811</u>	<u>(19,064,255)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(9,999)	(18,767)
Purchase of tangible fixed assets	(65,035,995)	(82,351,860)
Sale of tangible fixed assets	25,366,973	-
Hire purchase (payments) made in year	(411,955)	(77,984)
Cash surrendered on disposal of subsidiaries	(5,490,886)	-
Net cash from investing activities	<u>(45,581,862)</u>	<u>(82,448,611)</u>
Cash flows from financing activities		
New secured loans	-	118,739,241
Repayment of loans	(36,220,680)	(2,128,536)
Other new loans	107,334,733	-
Interest paid	(26,138,920)	(15,258,210)
HP interest paid	(11,100)	(43,265)
Net cash from financing activities	<u>44,964,033</u>	<u>101,309,230</u>
Net (decrease) in cash and cash equivalents	<u>(96,018)</u>	<u>(203,636)</u>
Cash and cash equivalents at beginning of year	1,411,064	1,614,700
Cash and cash equivalents at the end of year	<u><u>1,315,046</u></u>	<u><u>1,411,064</u></u>

BRICKS CAPITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,321,666	1,413,636
Bank overdrafts	(9,620)	(2,572)
	<u>1,315,046</u>	<u>1,411,064</u>

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 December 2021 £
Cash at bank and in hand	1,413,636	5,401,916	(5,490,886)	1,324,666
Bank overdrafts	(2,572)	(7,048)	-	(9,620)
Debt due after 1 year	(7,069,637)	(3,813,186)	-	(10,882,823)
Debt due within 1 year	(217,982,943)	(67,300,867)	122,601,028	(162,682,782)
Finance leases	(1,461,348)	411,955	-	(1,049,393)
	<u>(225,102,864)</u>	<u>(65,307,230)</u>	<u>117,110,142</u>	<u>(173,299,952)</u>

The notes on pages 22 to 48 form part of these financial statements.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis as the directors are 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 directors recognise 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 2021, the Group generated losses of £10,276,577 and had net liabilities of £31,136,548 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 31 December 2021, the balance of the mezzanine finance, including accrued interest, totals £97,949,290 (due August 2023). At the date of approving the financial statements the intention is to repay the balance of this loan by refinancing or 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 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 refinancing or the sales of the relevant assets have been finalised, the directors recognise that a material uncertainty with respect to going concern exists. At the balance sheet date, secured loans, including accrued interest, which are due for repayment within 12 months of that date, total £163 million.

In view of the previous history of being able to secure refinancing, the directors are confident that sufficient funding facilities will be available to the group.

Although the directors are 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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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.

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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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

All 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.

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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten 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.

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 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 normally undertaken 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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 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.

2.16 Investment property

Investment property is carried at fair value determined annually by the directors 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.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.19 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.

2.20 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.

2.21 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 CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.22 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.

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 directors are 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 directors have 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 directors, 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 directors, 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 directors assess 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.

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies (continued)

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 directors' 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.

4. Turnover

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

	2021 £	2020 £
Hotel income	3,755,219	-
Student accommodation income	6,144,864	2,735,308
Other income	292,065	-
	<u>10,192,148</u>	<u>2,735,308</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,192,148	2,735,308
	<u>10,192,148</u>	<u>2,735,308</u>

5. Other operating income

	2021 £	2020 £
Other operating income	204,266	-
Government grants	137,086	181,770
	<u>341,352</u>	<u>181,770</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating profit/(loss)

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

	2021 £	2020 £
Pension costs	31,038	23,167
Other operating lease rentals	491,138	712,203
Depreciation charge for the year	1,498,486	978,360
	<u>1,999,662</u>	<u>1,713,730</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2021 £	2020 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	348,500	471,200

8. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,673,922	1,948,849	-	-
Social security costs	297,076	203,494	-	-
Cost of defined contribution scheme	31,038	23,167	-	-
	<u>3,002,036</u>	<u>2,175,510</u>	<u>-</u>	<u>-</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Employees	96	50	1	1

9. Directors' remuneration

No directors were remunerated in current or prior year.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	603,689	-
Bank and other loan interest payable	25,546,331	15,301,475
	<u>26,150,020</u>	<u>15,301,475</u>

11. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	7,190,781	716,281
Total deferred tax	<u>7,190,781</u>	<u>716,281</u>
Taxation on profit on ordinary activities	<u>7,190,781</u>	<u>716,281</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(3,085,796)	(41,639,775)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(586,301)	(7,911,557)
Effects of:		
Fixed asset differences	84,947	3,720,648
Expenses not deductible for tax purposes	6,463,902	6,745,192
Capital allowances for year in excess of depreciation	-	40
Deferred tax credited/(charged) to OCI	-	(6,422,483)
Adjustments to deferred tax from average rates	1,689,851	301,289
Deferred tax not recognised	(3,290,568)	(757,568)
Adjustments in respect of prior periods	142	(32,686)
Income not deductible for tax purposes	(1,129)	-
Capital gains	2,829,937	5,073,406
Total tax charge for the year	7,190,781	716,281

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**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.

12. Intangible assets**Group and Company**

	Computer software £
Cost	
At 1 January 2021	220,229
Additions	9,999
At 31 December 2021	<u>230,228</u>
Amortisation	
At 1 January 2021	38,956
Charge for the year on owned assets	42,372
At 31 December 2021	<u>81,328</u>
Net book value	
At 31 December 2021	<u>148,900</u>
At 31 December 2020	<u>181,273</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021	138,220,001	7,800,000	1,887,218	112,307,318	260,214,537
Additions	13,274,822	-	2,237,696	49,523,477	65,035,995
Disposals	(112,632,136)	-	(2,325,254)	(30,597,919)	(145,555,309)
Transfers between classes	30,010,582	-	-	(30,010,582)	-
Revaluations	7,531,435	-	-	-	7,531,435
At 31 December 2021	<u>76,404,704</u>	<u>7,800,000</u>	<u>1,799,660</u>	<u>101,222,294</u>	<u>187,226,658</u>
Depreciation					
At 1 January 2021	-	-	336,679	18,050,572	18,387,251
Charge for the year	486,682	-	1,011,804	-	1,498,486
Disposals	-	-	(831,730)	(2,078,598)	(2,910,328)
Transfers between classes	1,560,278	-	-	(1,560,278)	-
Reversal of past impairment	(1,833,793)	-	-	(11,872,573)	(13,706,366)
Impairment charge	2,780,376	-	-	-	2,780,376
At 31 December 2021	<u>2,993,543</u>	<u>-</u>	<u>516,753</u>	<u>2,539,123</u>	<u>6,049,419</u>
Net book value					
At 31 December 2021	<u>73,411,161</u>	<u>7,800,000</u>	<u>1,282,907</u>	<u>98,683,171</u>	<u>181,177,239</u>
At 31 December 2020	<u>138,220,001</u>	<u>7,800,000</u>	<u>1,550,539</u>	<u>94,256,746</u>	<u>241,827,286</u>

Interest costs of £13,364,190 were capitalised during the year (2020: £15,415,392).

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets (continued)

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

	2021 £	2020 £
Freehold	73,411,161	138,220,001
Long leasehold	7,800,000	7,800,000
	<u>81,211,161</u>	<u>146,020,001</u>

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

Fixtures and fittings: £1,072,475 (2020: £1,200,185). Depreciation charged on these assets in the year was £244,864 (£212,635).

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Group		
Cost	65,499,759	106,744,818
Accumulated depreciation	(486,682)	(1,622,079)
Net book value	<u>65,013,077</u>	<u>105,122,739</u>

The properties were valued by P Prickett, a director of the company, as at 31 December 2021 based upon professional advice and at fair value.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	472,629
Additions	500
Disposals	(363,285)
At 31 December 2021	<u>109,844</u>

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%
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%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments (continued)

Direct subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
True Coliving Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Thrive Coliving Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
True Student Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
True Student Holdings 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%
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 Salford 3 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 Cornbrook Capital Ltd	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Group Asset Management Ltd	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Modular Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Nelson Gate Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Silverstone Capital Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Briksta Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Doza International Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Doza Liverpool Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Doza Swansea 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 2021**

14. Fixed asset investments (continued)

Direct subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Evolve Hotel Management Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Redchurch Properties Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
UT Swansea Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
UTIME UK Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%

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%
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%

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
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%
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 Salford 3 Land Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Salford 3 Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Salford 3 Propco 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 Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Bricks Leicester Propco 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 Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks Cornbrook Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	90%
Bricks K5 Capital 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 Opco 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 Silverstone Holdco 1 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 2021**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
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 Silverstone Opco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Bricks Silverstone Propco Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	95%
Newcastle Glassworks Ltd (UK) Propco	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
Newcastle Glassworks Mgmt Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%
True Student Limited	8-9 Bulstrode Place, London, W1U 2HY	Ordinary	100%

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2021	141,875
At 31 December 2021	141,875

The 2021 valuations were made by the directors, on an open market value for existing use basis.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	3,561	-
	<u>3,561</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	642,480	67,865	28,847	-
Amounts owed by group undertakings	-	-	34,415,975	36,164,507
Amounts owed by related parties	-	82,292	-	82,293
Other debtors	5,023,137	1,217,415	2,602,300	97,883
Prepayments and accrued income	3,461,260	12,418,011	2,000	-
	<u>9,126,877</u>	<u>13,785,583</u>	<u>37,049,122</u>	<u>36,344,683</u>

18. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,324,666	1,413,636	39,592	3,374
Less: bank overdrafts	(9,620)	(2,572)	-	-
	<u>1,315,046</u>	<u>1,411,064</u>	<u>39,592</u>	<u>3,374</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	9,620	2,572	-	-
Bank loans (secured)	29,129,375	210,676,547	-	-
Other loans (secured)	133,553,407	7,306,396	11,827,422	7,306,396
Trade creditors	10,337,706	13,366,140	1,311,591	15,430
Amounts owed to group undertakings	-	-	30,224,048	29,292,669
Amounts owed to related parties	17,826,606	17,877,900	6,427,351	7,033,693
Corporation tax	367,582	367,579	-	-
Other taxation and social security	457,411	135,262	-	-
Obligations under finance lease and hire purchase contracts	417,500	1,033,920	-	-
Other creditors	4,111,825	1	1,712,043	172,057
Accruals and deferred income	4,189,842	16,514,210	619,539	1,688,095
	<u>200,400,874</u>	<u>267,280,527</u>	<u>52,121,994</u>	<u>45,508,340</u>

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

	Group 2021 £	Group 2020 £
Other loans (secured)	10,882,823	7,069,637
Net obligations under finance leases and hire purchase contracts	631,893	427,428
Other creditors	43,648	-
	<u>11,558,364</u>	<u>7,497,065</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	29,129,375	210,676,547	-	-
Other loans	133,553,407	7,306,396	11,827,422	7,306,396
Amounts falling due 1-2 years				
Other loans	10,882,823	7,069,637	-	-
	<u>173,565,605</u>	<u>225,052,580</u>	<u>11,827,422</u>	<u>7,306,396</u>

The Group has a number of different loans, as detailed below:

In August 2018 an agreement was completed between Bricks Capital Holdings Limited and a 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 2021 was £97,949,290 (2020: £137,215,903).

Capitalised interest recognised in amounts payable as at 31 December 2021 totals £20,879,745 (2020: £13,233,818).

In August 2019 an agreement was completed between Bricks Capital Holdings Limited and a Lender 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 £4,407,123 (2020: £3,807,123). Interest is charged at 20%.

In February 2015 an agreement was entered into by Newcastle Glassworks Limited and a Lender 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 £10,981,548 (2020: £9,770,526). Interest is charged at 6.7% plus LIBOR. Post year end this has been recalled as detailed in the post balance sheet event note.

In December 2020 an agreement was entered between Bricks Silverstone Capital Limited and a Lender for a facility of £50,000. The loan is repayable in December 2022. The total amount payable at the year end totals £56,000 (2020: £50,000). Interest is charged at 1% per month.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Loans (continued)

In March 2021 an agreement was entered between Bricks Silverstone Propco Limited and a Lender for a facility agreement of £20,800,000. This is split into two tranches: £19,000,000 is the construction tranche; £1,800,000 is the interest tranche. The loan is repayable in December 2022. The total amount payable at the year end was £12,460,071 (2020: £nil). Interest is charged at 9%. Bricks Silverstone Propco Limited previously held a loan with a different Lender which was refinanced in the year. In 2020 the balance owed to the previous Lender was £5,722,500.

In March 2021 an agreement was entered between Bricks Silverstone Holdco 1 and a Lender for a facility of £8,325,000. On 16 July 2021 they requested a utilisation of £2,200,000. This is Tranche C. At 31 December 2021, the total loan balance due was £12,175,386. Tranche A is due in December 2022. Tranche B is due in March 2023. Tranche C is due in July 2023. Interest is charged at 17%.

In July 2021 an agreement was entered between True Student Limited and a Lender for a facility of £2,000,000. The total amount payable at the year end is £2,238,153. The loan is repayable in December 2022. Interest is charged at 17%. No repayments have been made up to the date of approval of the financial statements.

In August 2021 an agreement was entered between Bricks Leicester Propco and a Lender for a maximum facility of £40,948,063. The loan is repayable in August 2023. The total amount payable at the year end totals £2,450,874 (2020: £nil). Interest is charged at 7%.

In October 2020 an agreement was entered between Bricks Swansea Propco and a Lender for a maximum facility of £34,107,891. The loan is repayable at the earlier of 19 months from the date of the first draw down which is May 2022, and the date of sale of the whole or any part of the Property or any refinancing of any part of the Facility. The total amount payable at the year end totals £20,990,558 (2020: £7,019,637). Interest is charged at 1.5%.

In June 2021 an agreement was entered between Bricks Norwich Land and a Lender for a maximum facility of £9,000,000. The loan is repayable 11 months from the drawdown date which is June 2022. The total amount payable at the year end is £9,856,602 (2020: nil). Interest is charged at 18%.

All loans are secured against the properties detailed in note 13 via floating charge.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	507,956	1,033,920
Between 1-5 years	675,541	427,428
	<u>1,183,497</u>	<u>1,461,348</u>

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Deferred taxation

Group

	2021 £
At beginning of year	(9,518,508)
Charged to profit or loss	(1,581,920)
At end of year	(11,100,428)

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(11,100,428)	(9,518,508)
	<u>(11,100,428)</u>	<u>(9,518,508)</u>

25. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,663 (2020 - 1,663) Ordinary shares of £1.00 each	1,663	1,663
	<u>1,663</u>	<u>1,663</u>

26. 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.

BRICKS CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. Discontinued operations

During the year Bricks Capital Holdings disposed of three subgroups, Bricks Birmingham Capital Limited and subsidiaries, Bricks Glasgow Capital Limited and subsidiaries and Bricks Salford Quays Capital Limited and subsidiaries. The profit on disposal of the three subgroups has been calculated as follows:

	£
Cash proceeds	19,213,265
Costs of disposal	(3,767,017)
	<hr/>
	15,446,248
Net assets disposed of:	
Tangible fixed assets	(142,626,157)
Debtors	(37,780,061)
Cash	(5,490,886)
Creditors	182,023,006
Deferred tax	7,059,402
	<hr/>
	3,185,304
Profit on disposal before tax	<hr/>
	18,631,552
	<hr/>

The net inflow of cash in respect of the sale of the three subgroups is as follows:

	£
Cash consideration	19,213,265
Repayment of external debt and intercompany balances	(19,213,265)
	<hr/>
Net inflow of cash	-
	<hr/>

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

28. Contingent liabilities

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

Bricks K4 Capital

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

29. 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 £31,038 (2020: £23,167). Contributions totalling £9,565 (2020: £8,779) were payable to the fund at the balance sheet date and are included in creditors.

30. Related party transactions

The senior management team are considered to be key management personnel of which the individuals were remunerated £86,113 (2020: £155,132).

Peter Prickett, the ultimate controlling party, has provided a loan to the Group. No payments have been made in the year (2020: £1,674). The loan has increased by £239,530 in the year. At the year end, the Group owed Peter Prickett £6,417,733 (2020: £6,178,203).

Bricks Capital Limited, the Hong Kong based parent company of the Group, has provided a loan to the Group. Payments of £410,058 (2020: £1,176,973) have been made in the year by the Company and within the subsidiaries of the group, the balances owed to Bricks Capital Limited have increased by £118,403. At the year end, the Group owed Bricks Capital Limited £10,038,508 (2020: £10,330,163). Interest accrues annually on the loan at a rate of 23%.

The group had amounts due to related companies, Newcastle Investors Freehold Limited and BTIL Limited of £80,910 (2020: £nil) and £2,200 (2020: £nil), respectively. No interest is accrued on these amounts.

Pinnacle Property Limited, a Hong Kong based company owned by Peter Prickett, has provided a loan to the Group. No payments have been made in the year (2020: nil). At the year end, the Group owed Pinnacle Property Limited £1,287,253 (2020: £1,287,253).

BRICKS CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

31. Post balance sheet events

Bricks Salford 2 Propco Limited

On 7 July 2022 the company completed on a financing arrangement cross-guaranteed by its group companies for £43.5m. Interest is charged at 25% per annum and the loan is secured over the assets of the company.

Bricks Salford 2 Land Limited

On 11 February 2022 the Company completed on the long term lease of land and building on King William Street, Salford for £7.0m.

K2 Capital Limited

On 29 July 2022 the Bricks K2 Capital Limited sub-group, consisting of Bricks K2 Capital Limited, Newcastle Glassworks Limited, Bricks K5 Capital Limited and Newcastle Glassworks Management Limited was placed into administration as a result of an overdue loan to a Lender from Newcastle Glassworks Limited being recalled. The amount of the loan at that date was £11,753,635.

Bricks Group Holdings Limited

On 21 April 2022, the entire share capital of the Company was transferred to a newly incorporated entity, Bricks Group Holdings Limited, a private company with its registered office at 8-9 Bulstrode Place, London, United Kingdom. The reorganisation of the group was performed to access further funding and enable further expansion of new PBSA and hotel sites.

32. Controlling party

The immediate parent company is Bricks Group Holdings Limited. The ultimate controlling party is Peter Prickett.