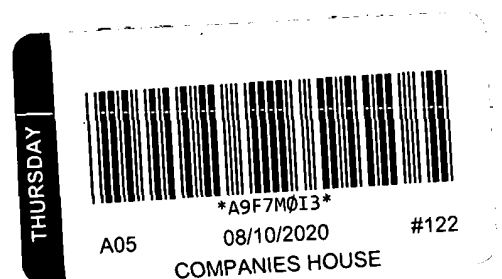

SIXTY BRICKS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



SIXTY BRICKS LIMITED

COMPANY INFORMATION

Directors	D P Welsh J C Walling R J Manning J A Garrod
Company secretary	E H J Mannan
Registered number	10593957
Registered office	The Magistrates Room G10 1 Farnan Avenue London E17 4NX
Independent auditors	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

SIXTY BRICKS LIMITED

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SIXTY BRICKS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Principal Objectives and Strategies

Sixty Bricks Limited is a local authority-controlled trading company (LATC) of the London Borough of Waltham Forest ("The Council") and is limited by shares.

It was established by the Council to deliver both social and economic benefits to the local community and the Council as shareholder. Specifically, Sixty Bricks would:

- Respond to housing need by building quality homes and of these homes a significant amount of "affordable" homes for local people in the greatest need
- Create a commercial entity that will deliver a significant amount of new homes on council owned land making better use of council assets
- Retain council control over housing delivery and accountability

The Five-Year Business Plan, which is reported to the Council's Shareholders Committee, set the housing delivery and financial performance targets for the company, and established a series of principles which underpin the planning and execution of the company's Business.

Sixty Bricks business objectives are to:

- To drive the delivery of new homes quicker than the traditional home builders in the Borough on Council owned sites
- Deliver at least 450 new homes over the business plan period
- Aspire to deliver 50% affordable homes on all developments with no less than 50% affordable across our development portfolio
- Generate a financial return to the Shareholder reflecting the principle that development schemes will secure a 10% profit before tax
- Target 1,000 new homes within pipeline by year 5

The Company will offer housing new build, acquisition and refurbishment on Council owned sites but also on sites purchased or provided as part of partnerships. Such developments may include retail, commercial and other public service Health, Social Care etc. and community provision.

The Company's main clients are the London Borough of Waltham Forest and other public sector authorities. Demand from the clients may grow for Sixty Bricks (and other LATCs) due to budgetary pressures, loss of internal resources, growing service needs and public sector bodies looking for other solutions to traditional outsourcing to ensure that funding stays within the public sector.

Longer term plans for the Company include creating an appropriate structure that enables GLA and other grants, and potentially right to buy receipts to pass through the Company to accelerate housing delivery and improve scheme viability. Delivering Affordable Housing Sixty Bricks aspires to deliver 50% affordable homes on all projects, and no less than 50% affordable across Phase 1 and subsequent programmes. For the 50% affordable units the Company will also aim to deliver 60% rented and 40% Intermediate as Shared Ownership tenure in line with the Council's planning policy.

SIXTY BRICKS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Performance in 2019-20

Great progress was made with the Phase 1 programme in 2019-20. The first 299 homes at Centenary House, Hyland Road, Essex Close, Sansom Road and South Grove secured planning permission and started on site. The Sixty Bricks owned sites (Centenary House, Essex Close and South Grove) will all deliver 50% affordable homes on a habitable room basis while development agency schemes (at Hyland Road and Sansom Road) will be 100% social rent on all homes delivered.

Tangible progress was made on each of the Phase 1 schemes during 2019-20. This was reflected in progress on-site and associated financial expenditure. The Delivery Team made considerable efforts with their supply chains to maintain effective governance and control of each scheme. Thorough programmes and cashflow forecasts were developed to accompany the handover of sites and effective project delivery arrangements were put in place with the principle contractor, Employers Agents (EA's), Planning Consultants, Landscape Architects (LA), Quantity Surveyors (QS) and Architects. This work helped de-risk individual schemes and the programme and meant that by year-end the Phase 1 Delivery Team were able to deliver c96% of the expenditure forecast in 2019-20.

Principal risks and uncertainties

There are risks associated with conducting a property development business, such as increasing construction costs, changes in interest rates, legislation, Brexit and changes in the property sales and rental markets. However, the ownership of property over the medium to long term can be considered a strong investment and with a growing demand for affordable housing nationally there is no reason to suggest this will change. The business model benefits to the Council are considerable and compelling; the risks will be managed through preventative due diligence undertaken and the governance and controls in place.

At the request of the Board in the spring of 2020 Sixty Bricks began to develop a Covid-19 Recovery Plan. This was presented to the Board and endorsed in late May 2020. The purpose of the Sixty Bricks Covid-19 Recovery Plan is twofold:

- First, as a wholly owned local authority trading company, Sixty Bricks' Recovery Plan will contribute directly to the Council's Economic Recovery Action Plan
- Second, the Recovery Plan takes proactive action at an organizational, project and programmatic level to ensure Sixty Bricks remains commercially sustainable and continues to deliver the shareholder's priorities for the local community

Sixty Bricks Recovery Plan is structured to deliver the Council's three phase Respond, Resilience and Recovery model – while also continuing to actively review aspects of the Company's business continuity plan in response to national and local pandemic guidance.

Given the anticipated depth and potential duration of the Covid-19 recession the Council's £550m capital investment portfolio will play an important role in the organisation's overall Economic Recovery Action Plan. Sixty Bricks Phase 1 new build programme has been identified as one of the Council's Top Ten capital investment priorities. Consequently, its successful delivery will make a significant contribution to the social and economic recovery of the local community.

SIXTY BRICKS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Overall financial position

The Company is projected to start generating profits from the year ending 31 March 2021 upon the completion of the first schemes. The main costs incurred during the year consist of staffing (£793k) and service level agreements with the Council (£143k) and other set up costs total of £1.3m. From this £843k has been capitalised to the schemes with the balance to be funded from working capital. For the year ending 31 March 2020, Sixty Bricks made a loss of £351k.

During the year 2019/20 the build contracts were held by the Council with the intention of novation to Sixty Bricks in line with the development and loan agreements. This has been successfully transferred for the first scheme at end of July 2020, with the intention of novating the remaining by the end of the financial year 2020/21.

This report was approved by the board on 25/09/2020 and signed on its behalf.



D P Welsh
Director

SIXTY BRICKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 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, amounted to £351,269 (2019 - loss £831,150).

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

D P Welsh
J C Walling
R J Manning
J A Garrod

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'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's auditors are aware of that information.

SIXTY BRICKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

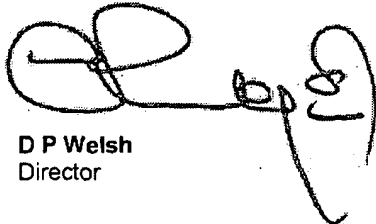
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25/09/2020 and signed on its behalf.



D P Welsh
Director

SIXTY BRICKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIXTY BRICKS LIMITED

Opinion

We have audited the financial statements of Sixty Bricks Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of cash flows 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 Company's affairs as at 31 March 2020 and of its 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 Company 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

SIXTY BRICKS LIMITED

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

misstatement in the financial statements or a material misstatement of the other information. 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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

SIXTY BRICKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIXTY BRICKS 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 financial statements.

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 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 for our audit work, for this report, or for the opinions we have formed.



Adam Dodds (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Leytonstone House

Leytonstone

London

E11 1GA

Date: 02/10/2020

SIXTY BRICKS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	As restated 2019 £
Administrative expenses		(301,952)	(803,178)
Operating loss		(301,952)	(803,178)
Interest payable and expenses	5	(49,317)	(27,972)
Loss after tax		(351,269)	(831,150)
Retained earnings at the beginning of the year		(1,093,091)	(261,941)
Loss for the year		(351,269)	(831,150)
Retained earnings at the end of the year		(1,444,360)	(1,093,091)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 12 to 19 form part of these financial statements.

SIXTY BRICKS LIMITED
REGISTERED NUMBER: 10593957

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	7	9,945	-
Tangible assets	8	2,276	-
		<u>12,221</u>	<u>-</u>
Current assets			
Cash at bank and in hand	9	4,500	-
Creditors: amounts falling due within one year	10	(1,460,981)	(1,092,991)
Total assets less current liabilities		<u>(1,444,260)</u>	<u>(1,092,991)</u>
Net liabilities		<u>(1,444,260)</u>	<u>(1,092,991)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	(1,444,360)	(1,093,091)
		<u>(1,444,260)</u>	<u>(1,092,991)</u>

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

25/09/2020.



D P Welsh
Director

The notes on pages 12 to 19 form part of these financial statements.

SIXTY BRICKS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(351,269)	(831,150)
Adjustments for:		
Amortisation of intangible assets	343	-
Interest paid	49,317	27,972
Increase in creditors	9,897	-
Increase in amounts owed to groups	358,576	830,667
Net cash generated from operating activities	66,864	27,489
Cash flows from investing activities		
Purchase of intangible fixed assets	(10,288)	-
Purchase of tangible fixed assets	(2,276)	-
Net cash from investing activities	(12,564)	-
Cash flows from financing activities		
Interest paid	(49,317)	(27,972)
Net cash used in financing activities	(49,317)	(27,972)
Net increase/(decrease) in cash and cash equivalents	4,983	(483)
Cash and cash equivalents at beginning of year	(483)	-
Cash and cash equivalents at the end of year	4,500	(483)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,500	-
Bank overdrafts	-	(483)
	4,500	(483)

The notes on pages 12 to 19 form part of these financial statements.

SIXTY BRICKS LIMITED

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

1. General information

Sixty Bricks Limited ("the Company") is a company limited by shares, incorporated in England and Wales. Its registered office is The Magistrates Room G10, 1 Farnan Avenue, London, England, E17 4NX.

The principal activity of the company is to provide new build housing.

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 management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has net current liabilities as at 31 March 2020. The company is supported by its parent entity. On this basis, the directors are of the opinion that the company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. They therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

2.3 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

SIXTY BRICKS LIMITED

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

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the Statement of income and retained earnings, 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.6 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.

2.7 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.

SIXTY BRICKS LIMITED

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

2. Accounting policies (continued)

2.7 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:

Office equipment	-	33% straight line.
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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 the Statement of income and retained earnings.

2.8 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.

2.9 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.

2.10 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.

2.11 Financial instruments

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

SIXTY BRICKS LIMITED

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

3. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,000	-
	<u>4,000</u>	<u>-</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	3,750	-
	<u>3,750</u>	<u>-</u>

4. Employees

The average monthly number of employees, including the directors, during the year was 4 (2019 - 6).

Staff costs in relation to employees during the year were £Nil (2019 - £Nil).

5. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	17	-
Other loan interest payable	49,300	27,972
	<u>49,317</u>	<u>27,972</u>

6. Taxation

	2020 £	2019 £
Total current tax	-	-

SIXTY BRICKS LIMITED

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

6. 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	<u>(351,269)</u>	<u>(831,150)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(66,741)	(157,919)
Effects of:		
Unrelieved tax losses carried forward	<u>66,741</u>	<u>157,919</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

7. Intangible assets

	Website development £
Cost	
Additions	10,288
At 31 March 2020	<u>10,288</u>
Amortisation	
Charge for the year on owned assets	343
At 31 March 2020	<u>343</u>
Net book value	
At 31 March 2020	<u>9,945</u>
At 31 March 2019	<u>-</u>

The intangible assets include the development of the Company's website which was created by an external firm. The asset is being amortised over 5 years.

SIXTY BRICKS LIMITED

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

8. Tangible fixed assets

	Office equipment £
Cost or valuation	
Additions	2,276
At 31 March 2020	<u>2,276</u>
Net book value	
At 31 March 2020	<u>2,276</u>
At 31 March 2019	<u>-</u>

9. Cash and cash equivalents

	2020 £	As restated 2019 £
Cash at bank and in hand	4,500	-
Less: bank overdrafts	-	(483)
	<u>4,500</u>	<u>(483)</u>

10. Creditors: Amounts falling due within one year

	2020 £	As restated 2019 £
Bank overdrafts	-	483
Amounts owed to group undertakings	1,451,084	1,092,508
Accruals and deferred income	9,897	-
	<u>1,460,981</u>	<u>1,092,991</u>

SIXTY BRICKS LIMITED

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

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

12. Reserves

Profit and loss account

The profit and loss account represents cumulative distributable profits and losses net of dividends.

13. Prior year adjustment

The comparative figures for the year ended 31 March 2019 and 31 March 2018 have been restated to reflect an adjustment to account for historical differences not previously recognised within the financial statements.

The expenses within the financial statements as at 31 March 2018 were overstated, due to recognising expenses gross, by £64,369.

The expenses within the financial statements as at 31 March 2019 were overstated, due to recognising expenses gross and not recognising an interest expense, by £188,607.

The bank balance within the financial statements as at 31 March 2019 has been restated to £483 overdrawn (as previously stated - £Nil).

The amounts owed to parent company balance within the financial statements as at 31 March 2018 has been restated to £321,841 (as previously stated - £386,210).

The amounts owed to parent company balance within the financial statements as at 31 March 2019 has been restated to £1,092,508 (as previously stated - £1,290,023).

14. Capital commitments

On the 31 July 2020, the company committed £12,040,000 to the development of new build properties in respect of Lena Kennedy House. This commitment will be funded by a development facility agreement from the parent entity.

15. Related party transactions

At the year end £1,450,904 (2019 - £1,092,508) was owed to its parent entity. Interest of £49,300 (2019 - £27,972) was charged to the company.

During the year the parent entity recharged expenses of £304,276 (2019 - £803,178) to the company.

SIXTY BRICKS LIMITED

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

16. Ultimate controlling party

The Company's ultimate parent undertaking and controlling party is The London Borough of Waltham Forest.