# Bricklane Residential REIT plc

Company registration number: 10301242

## Half Yearly Consolidated Financial Report
for the six months ended 31 December 2021 (unaudited)

# Directory

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|---|---|
| **Non-executive Directors** | Simon Heawood<br>Michael Young<br>Paul Windsor<br>Craig Hallam |
| **Registered office** | 20 Baltic Street<br>London<br>EC1Y 0UL |
| **Registered number** | 10301242 (England and Wales) |
| **Alternative Investment Fund Manager** | Gallium Fund Solutions Ltd<br>Gallium House<br>Station Court<br>Borough Green<br>Sevenoaks<br>TN15 8AD |
| **Independent Auditor** | Crowe UK LLP<br>55 Ludgate Hill<br>London<br>EC4M 7JW |
| **Investment Advisor** | Bricklane Investment Services Ltd<br>20 Baltic Street<br>London<br>EC1Y 0UL<br><br>*An appointed representative of Gallium Fund Solutions Ltd* |
| **Legal advisors** | Gowling WLG (UK) LLP<br>4 More London Riverside<br>London<br>SE1 2AU |
| **Standing Independent Valuer** | Allsop LLP<br>33 Park Place<br>Leeds<br>LS1 2RY |
| **TISE Listing Sponsor** | Carey Olsen Corporate Finance Ltd<br>47 Esplanade<br>St Helier<br>Jersey<br>JE1 0BD |

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# Interim Strategic Report

The Directors present their interim strategic report for the six months ended 31 December 2021.

**Introduction**

Bricklane Residential REIT plc became the principal company in a UK REIT (Real Estate Investment Trust) group on 1 December 2016. A UK REIT is a group that carries on a property rental business and meets HM Revenue & Customs (HMRC) requirements for UK REIT status. As a consequence of being a REIT group, Bricklane Residential REIT plc does not pay tax on the profits of its property rental business. However, when the Company pays a distribution (Property Income Dividends), tax may be due from shareholders. The REIT regime requires that 90% of the group's property rental income is distributed to its shareholders.

Bricklane Residential REIT plc owns two subsidiary entities, which together are referred to as the 'Group'.

The principal activity of Bricklane Residential REIT plc is property investment in the United Kingdom. The Group's investment objective was to make long-term investments in residential property in UK cities, focussing on Manchester, Birmingham and Leeds. On 23 September 2016, the Company's shares were admitted to the Official List of The International Stock Exchange.

In light of the unforeseeable changes to fire safety requirements and the Government's response to the funding of remediation costs over the past year, the Directors considered that the Group's ability to attract further meaningful capital, generate returns, and to service shareholders seeking exit had become severely compromised. On 10 June 2021, having evaluated the circumstances and available options, the Directors announced that they believed that shareholders' interests are therefore best served through an orderly sale of properties, after which net proceeds will be returned to shareholders.

**Results for the period ended 31 December 2021**

The Directors monitor the Group's KPIs as part of the business review, these KPIs include investment property valuation, net yield and NAV per share.

During the period, the market value of the investment Group's portfolio decreased by £352k (2020: £660k). The Group is now actively marketing selected assets in the portfolio. By the end of the reporting period, the Group had sold c.£3.2m (2020: nil) of assets and since the period end a further £0.68m have been sold.

During the period, the Group generated rental income of £515k (2020: £531k) and made a loss before tax of £407k (2020: £509k).

**Fire Safety Issues**

Over the course of the period, the Group has been dealing with the impact of fire safety issues that has been causing serious problems in the UK residential property market. In response to the Grenfell Fire, the Government has introduced several new fire safety regulations in order to protect residents of high-rise buildings. Consequently, all buildings over six storeys are now carrying out an External Wall Survey (EWS1), a new industry-wide process, which is intended to reassure leaseholders as to the fire safety of the building.

The scope of the review has expanded beyond the original form of cladding responsible for the Grenfell tragedy, which means that remedial work may be required in order to satisfy the new regulatory standards. This issue is expected to affect 1.5 million flats across the country and will create considerable hardship for many families and homeowners.

43% of units in the Group's portfolio are located in buildings that have failed an External Wall Survey or have the report outstanding, and are therefore likely to require remedial works, bringing costs to the fund as leaseholder.

We have estimated the total cost at c.£1.7m (net of a capped Government grant of ~£335k via the Building Safety Fund), based on our communications with building managers, who are responsible for commissioning the surveys and ensuring that remedial works are carried out. However there remains uncertainty around this estimate as we await outstanding inspections and firm quotes. The Directors are comfortable that there is sufficient working capital to meet the expected cost of these works.

**Bank Covenant**
As a result of the UK-wide fire safety issues, the cost of building insurance on certain affected buildings has increased dramatically. This was particularly acute in the Brindley House development, where the Group owns 28 units, which saw an increase of ~1,000% compared to the previous year's premium. The increased cost has led to the subsidiary, Bricklane Regional Acquisitions Ltd (BRAL), breaching its interest cover ratio loan covenant. Since period end, the finance agreement with Barclays has been restated to lower this covenant requirement. At the period end, BRAL was compliant with its loan covenant requirements and Directors expect to meet future covenant tests.

As the subsidiary was in breach of a loan covenant at the period end, the loan has been classified as a current liability. However, the loan repayment date is in February 2023.

**Going concern**
In assessing the Group's going concern status, the Directors have concluded that it is not appropriate to adopt the principles of going concern and therefore the interim financial statements have been prepared on a basis other than going concern.

As the Directors announced their intention to wind down the entities on 10 June 2021, under IAS 1 (Presentation of Financial Statements), the accounts cannot be prepared on a going concern basis. This is despite the Group having sufficient working capital to pay its debts as they fall due and the wind down process likely taking 18-24 months to complete.

A basis other than going concern may require adjustments to the financial statements to reduce assets to their recoverable values; to provide for liabilities arising from the decision and to reclassify non-current assets and long-term liabilities as current assets and liabilities. After carrying out a review of the Group, it was concluded that no changes were required to reclassify current assets and long-term liabilities as current assets and liabilities.

As at 31 December 2021, the Group had net assets of £13,234,127 (2020: £14,497,414) and net current liabilities of £2,042,141 (2020: £5,738,295).

**Share issues and dividends**
During the period and after the period end no dividends were declared or paid to shareholders.

Directors are now intending to revert to quarterly dividends, which were paused during the last financial year.

Since the period end an interim dividend of 0.5p per share was paid by the Directors.

During the period, the Company issued no shares and since the period end, no further shares were issued. No Treasury shares were bought or sold during the period, at period end 333,717 Treasury Shares were held.

The results for the year are set out on page 6, which shows that the Adjusted Loss to Shareholders was £407,462 (2020: £508,587), which takes into account the impact of acquisition costs incurred during the period. Prior to this adjustment the loss for the period was £407,462 (2020: £508,587).

This report was approved by the Directors on 22 April 2022 and signed on its behalf by

Michael Young
Director

## Group Statement of Comprehensive Income

For the period ended 31 December 2021 (unaudited)

| | Note | 1 Jul 2021 – 31 Dec 2021 £ | 1 Jul 2020 – 31 Dec 2020 £ | (Audited) 1 Jul 2020 – 30 Jun 2021 £ |
|---|---|---|---|---|
| Rental Income | | 514,733 | 531,378 | 1,068,873 |
| **Property Management Expenses** | | | | |
| Property Management Fees & Letting Costs | | (49,802) | (49,720) | (98,741) |
| Service Charges & Ground Rent | | (221,985) | (173,734) | (349,805) |
| Repairs & Maintenance Costs | | (76,777) | (78,384) | (207,644) |
| Depreciation | | (7,543) | (4,235) | (10,514) |
| Other Expenses | | (23,462) | (40,687) | (65,933) |
| Interest Expense | | (71,424) | (85,331) | (169,271) |
| **Rental Profit** | | **63,740** | **99,287** | **166,965** |
| Unrealised Capital Losses | *5* | (307,977) | (504,969) | (1,207,685) |
| Realised Capital Losses | | (54,952) | - | (6,901) |
| Fair value loss due to property acquisition costs | | - | - | 11,208 |
| **Unrealised capital gains net of property acquisition costs** | | **(362,929)** | **(504,969)** | **(1,203,378)** |
| **Property Profit / (Loss)** | | **(299,189)** | **(405,682)** | **(1,036,413)** |
| **Fund Expenses** | | | | |
| Bank Charges | | (25,269) | (35,620) | (70,797) |
| Administration Fees | | (83,004) | (67,285) | (163,543) |
| **Profit/(loss) and total comprehensive income for the period** | | **(407,462)** | **(508,587)** | **(1,270,753)** |

| | Note | 1 Jul 2021 – 31 Dec 2021 £ | 1 Jul 2020 – 31 Dec 2020 £ | (Audited) 1 Jul 2020 – 30 Jun 2021 £ |
|---|---|---|---|---|
| *Analysed as*: | | | | |
| Rental Profit | | 63,740 | 99,287 | 166,965 |
| Unrealised Capital Gains / (Losses) | | (307,977) | (504,969) | (1,207,685) |
| Realised Capital Losses | | (54,952) | - | (6,901) |
| Administration Fees & Other Fund Expenses | | (108,273) | (102,905) | (234,340) |
| **Adjusted profit / (loss) to Shareholders** | *11* | **(407,462)** | **(508,587)** | **(1,281,961)** |
| Fair value loss due to property acquisition costs | | - | - | 11,208 |
| **Profit/(loss) and total comprehensive income for the year** | | **(407,462)** | **(508,587)** | **(1,270,753)** |
| Earnings per ordinary share (basic & diluted) | *9* | (2.6p) | (3.3p) | (8.1p) |

## Group Statement of Financial Position

As at 31 December 2021 (unaudited)

| | Notes | 31 Dec 2021<br>£ | 31 Dec 2020<br>£ | (Audited)<br>30 Jun 2021<br>£ |
|---|---|---|---|---|
| **Non-Current assets** | | | | |
| Investment property | 5 | 15,221,010 | 20,197,519 | 18,700,987 |
| Property, plant and equipment | | 55,258 | 38,190 | 52,822 |
| | | **15,276,268** | **20,235,709** | **18,753,809** |
| **Current assets** | | | | |
| Receivables | 6 | 103,508 | 140,718 | 225,983 |
| Cash and cash equivalents | | 1,484,866 | 278,161 | 1,202,642 |
| | | **1,588,374** | **418,879** | **1,428,625** |
| **Payables**: amounts falling due within one year | 7 | (3,630,515) | (6,157,174) | (6,540,845) |
| **Net Assets** | | **13,234,127** | **14,497,414** | **13,641,589** |
| **Capital and reserves** | | | | |
| Share capital | 3 | 159,436 | 159,436 | 159,436 |
| Share premium | | 14,898,470 | 14,898,470 | 14,898,470 |
| Capital reduction reserve | | 2,405,652 | 2,499,311 | 2,405,652 |
| Treasury shares | | (385,022) | (385,022) | (385,022) |
| Retained profit | | (3,844,409) | (2,674,781) | (3,436,947) |
| **Shareholders' funds** | | **13,234,127** | **14,497,414** | **13,641,589** |
| Net asset value per share | | £0.8478 | £0.9287 | £0.8739 |

These financial statements were approved by the Board of Directors and authorised for issue on 22 April 2022 and are signed on behalf of the board by:

Michael Young
Director

Company registration number 10301242

The accompanying notes set out on page 10 to 14 form an integral part of these financial statements.

## Group Statement of Changes in Equity

For the period ended 31 December 2021 (unaudited)

| | Share Capital | Share Premium | Retained Earnings | Capital reduction reserve | Treasury shares | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Balance at 1 Jul 2020** | **159,436** | **14,898,470** | **(2,166,194)** | **2,499,311** | **(385,022)** | **15,006,001** |
| Total Comprehensive Income for the Period | - | - | (508,587) | - | - | (508,587) |
| **Balance at 31 Dec 2020** | **159,436** | **14,898,470** | **(2,674,781)** | **2,499,311** | **(385,022)** | **14,497,414** |
| Total Comprehensive Income for the Period | - | - | (762,166) | - | - | (762,166) |
| Dividends | - | - | - | (93,659) | - | (93,659) |
| **Balance at 30 Jun 2021** | **159,436** | **14,898,470** | **(3,436,947)** | **2,405,652** | **(385,022)** | **13,641,589** |
| Total Comprehensive Income for the Period | - | - | (407,462) | - | - | (407,462) |
| **Balance at 31 Dec 2021** | **159,436** | **14,898,470** | **(3,844,409)** | **2,405,652** | **(385,022)** | **13,234,127** |

## Group Statement of Cash Flows

As at 31 December 2021 (unaudited)

| | *Notes* | **1 Jul 2021 – 31 Dec 2021 £** | **1 Jul 2020 – 31 Dec 2020 £** | (Audited) **1 Jul 2020 – 30 Jun 2021 £** |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Total comprehensive income for the Operating Period | | **(407,462)** | **(508,587)** | **(1,270,753)** |
| Adjusted for; | | | | |
| Unrealised valuation gains / losses on investment property | *5* | 307,977 | 504,969 | 1,207,685 |
| Realised valuation losses on disposal | | 54,952 | - | 6,901 |
| Property acquisitions costs | | - | - | (11,208) |
| (Increase)/decrease in receivables | *6* | 122,475 | (44,474) | (129,739) |
| Increase/(decrease) in payables | *7* | (2,910,330) | (109,211) | 274,460 |
| Depreciation | | 7,543 | 4,235 | 10.514 |
| Loss on sale of property, plant and equipment | | 5,798 | - | 1,479 |
| **Net Cash Flows used in Operating Activities** | | **(2,819,047)** | **(153,068)** | **89,339** |
| **Cash Flows from Investing Activities** | | | | |
| Disposal / (Acquisition and refurbishment) of investment property | | 3,117,047 | - | 798,123 |
| Purchase of property, plant and equipment | | (15,776) | (19,945) | (42,335) |
| **Net Cash Flows from Investing Activities** | | **3,101,271** | **(19,945)** | **755,788** |
| **Cash Flows from Financing Activities** | | | | |
| Dividends paid | *4* | - | - | (93,659) |
| **Net Cash Flows from Financing Activities** | | **-** | **-** | **(93,659)** |
| Increase / (decrease) in cash and cash equivalents | | 282,224 | (173,013) | 751,468 |
| Cash and cash equivalents at the start of the period | | 1,202,642 | 451,174 | 451,174 |
| **Cash and cash equivalents at the end of the period** | | **1,484,866** | **278,161** | **1,202,642** |

# Notes to the Consolidated and Company Financial Statements
for the period ended 31 December 2021 (unaudited)

## 1. Accounting policies

### Basis of preparation
Bricklane Residential REIT plc (the 'Company') is a company incorporated and domiciled in the UK. It is a public limited liability company listed on The International Stock Exchange. The Group financial statements consolidate those of the company and its subsidiary, together referred as the 'Group'.

This consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial performance and position of the Group since the last financial statements for the year ended 30 June 2021. This consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. The financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006.

A copy of the audited annual report for the year ended 30 June 2021 has been delivered to the Registrar of Companies.

The preparation of financial statements in compliance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results may differ from those estimates.

The financial statements have been prepared under the historical cost convention except investment property which are stated at their fair value. The areas involving a higher degree of judgement or complexity or areas where estimates or assumptions are significant to the financial statements are disclosed in note 2.

### Going concern

The Directors announced their intention to wind down the entities on 10 June 2021 due to the viability of the Group resulting from reduced demand for new shares, which has been driven by fire safety issues, therefore under IAS 1 (Presentation of Financial Statements), the accounts cannot be prepared on a going concern basis. This is despite the Group having sufficient working capital to pay its debts as they fall due and the wind down process likely 18-24 months to complete. In assessing the Group's going concern status on this basis, the Directors have concluded that it is not appropriate to adopt the principles of going concern and therefore the interim financial statements have been prepared on a basis other than going concern.

A basis other than going concern may require an adjustment to the financial statements to reduce assets to their recoverable values; to provide for liabilities arising from the decision and to reclassify non-current assets and long-term liabilities as current assets and liabilities. After carrying out a review of the Group, it was concluded that no changes were required to reclassify current assets and long-term liabilities as current assets and liabilities.

### Property, plant and equipment
These assets are stated at historical cost less accumulated depreciation. Depreciation is charged using the straight-line method over 3 to 5 years.

Property, plant and equipment relates solely to furniture which is situated across the REIT's investment properties and can be reallocated between the different properties as tenancies require.

### Revenue Recognition
Rental income comprises the fair value of the consideration received or receivable during ordinary operating activities. Revenue is recognised when the amount of revenue and related cost can be reliably measured and the collectability of the related receivables is reasonably assured. Rental income (net of any incentives given to the lessees, such as rent-free periods) is recognised on a straight-line basis over the lease term.

**Segmental analysis**
The Directors, who together are the Chief Operating decision makers, consider that the Group comprises of one operating segment and that it operates in the country of incorporation. The Group provides Directors with financial information that is on an aggregated level with the exception of the fair value of the investment properties. As such, there is no segmental information to disclose.

**Expense Recognition**
All expenses are accounted for on an accruals basis. Letting costs and costs associated with setting up a lease are recognised on a straight-line basis over the lease term.

**Investment Properties**
Investment properties are initially recognised at cost (including acquisition costs) and subsequently carried at fair value, as provided by Allsop LLP. Allsop LLP are external valuers who hold a recognised and relevant qualification and have experience in valuing residential property. Changes in fair values are recognised as unrealised gains or losses through the profit or loss. Investment properties are subject to renovations or improvements at regular intervals. The costs of renovations and improvements are capitalised. The costs of maintenance, repairs and minor improvements are recognised in the profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in income statement.

**Cash and cash equivalents**
Cash and cash equivalents are defined as cash in hand, demand deposits and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

**Receivables**
Rents receivable are recognised and carried at the original payment amount, less an allowance of uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

**Functional and presentational currency**
Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (‘the functional currency’). The financial statements are presented in pounds sterling, which is the Group’s functional and presentational currency.

**Borrowings**
Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

**2. Critical accounting estimates and assumptions**

The following is intended to provide further details relating to those accounting policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

**REIT status**
Bricklane Residential REIT plc is the principal company of a Real Estate Investment Trust (“REIT”) group, and as such, does not pay corporation tax on its property rental business profits (property income and gains on property disposals) provided that at least 90% of the Groups’ property income is distributed to shareholders within specified time limits. This distribution (Property Income Dividend) is taxed as property income in the shareholders’ hands. In addition, the Group must meet other obligations of the REIT regime, which includes limits on the levels of non-property rental business it can undertake. The Directors’ view is that all REIT compliance tests have been met to ensure that the Group maintains its REIT status. It is the Directors’ intention that the Group will continue as a REIT for the foreseeable future.

**Investment Property**
The Directors are required to make an assessment of the value of the Group’s investment property portfolio using the valuation prepared by Allsop LLP. The fair value provided by Allsop LLP is based on the market value of the individual residential units.

### 3. Called up share capital

| | 31 Dec 2021 | 31 Dec 2020 | 30 June 2021 |
|---|---|---|---|
| Share capital | £159,436 | £159,436 | £159,436 |
| Ordinary shares of £0.01 each | 15,943,571 | 15,943,571 | 15,943,571 |
| (Allotted, called up and fully paid) | | | |

During the period no further share were issued by the company (2020: nil). Each ordinary share has equal right to dividends and is entitled and has equal rights to participate in a distribution arising from a winding up of the Group. The ordinary shares are not redeemable.

### 4. Dividends

During the period no shares were declared or paid.

### 5. Investment Property

| | 31 Dec 2021<br>£ | 31 Dec 2020<br>£ | 30 June 2021<br>£ |
|---|---|---|---|
| **Fair value at start of the period** | **18,700,987** | **20,702,488** | **20,702,488** |
| Additions: | | | |
| - Direct acquisitions | - | - | - |
| - Acquisition costs | - | - | - |
| - Capitalised acquisition costs | - | - | (11,208) |
| Disposals | (3,172,000) | - | (793,816) |
| Unrealised gain / (loss) from fair value adjustments on investment property (net of Acquisition costs) | (352,000) | (660,000) | (1,337,824) |
| Fair value adjustment for properties affected by fire safety works | 44,023 | 155,031 | 141,347 |
| **Fair value at end of the period** | **15,221,010** | **20,197,519** | **18,700,987** |

As at the report date, properties to the value of £4.8m were either being actively marketed or under offer. Since period end, the Group had completed sale of properties worth £0.680m.

The fair value of the Group and Company's investment property at 31 December 2021 was arrived at on the basis of a valuation carried out at that date by Allsop LLP, independent valuers not connected with the Group. The valuation conforms to RICS Valuation Standards (the "Red Book") and was arrived at by reference to market evidence of transactions for similar properties. The valuation was determined based on 'Market Value', being '*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'*

The valuation was subject to mandatory RICS 'material uncertainty clause' as a result of the building safety issue. In addition to this a number of properties within the Company were valued under the "Special Assumption" where a provision is set aside to cover the cost of remedial works.

For the purpose of reporting, fair value is deemed to be the market value and the valuation technique has not changed during the period.

During the period, the Group disposed of 21 properties for a total consideration of circa £3.2m.

As at period end 61 properties had secured borrowing against them.

## 6. Receivables

| | 31 Dec 2021<br>£ | 31 Dec 2020<br>£ | 30 June 2021<br>£ |
|---|---|---|---|
| Accounts receivable | 20,247 | 16,958 | 117,813 |
| Prepayments | 83,261 | 123,760 | 108,170 |
| | **103,508** | **140,718** | **225,983** |

## 7. Current Liabilities

| | 31 Dec 2021<br>£ | 31 Dec 2020<br>£ | 30 June 2021<br>£ |
|---|---|---|---|
| Accounts payable | 219 | 11,956 | 27,067 |
| Accruals | 134,145 | 297,868 | 123,617 |
| Other creditors | 24,207 | 76,629 | 589,594 |
| Bank loan | 3,471,944 | 5,770,721 | 5,800,567 |
| | **3,630,515** | **6,157,174** | **6,540,845** |

The Group has a fixed term loan agreement payable in February 2023 with a fixed interest of 2.869%. The lender has a first charge over 61 properties owned by the Group. During the period c.£2.4m was repaid. As at period end, the Group was compliant with loan covenant requirements, however this was a result of a change to the interest cover ratio covenant threshold, which was formally agreed with Barclays shortly after the period end. Therefore, the balance continues to be classified as a current liability. The Directors expect that for future periods the loan covenants will be met.

## 8. Employees and directors

The Group does not have any employees.

None of the Directors receive any remuneration for their roles as Directors of the Group. During the period £7,250 (2020: £7,250) was paid for Director services to Crestbridge UK Limited in relation to one Director.

## 9. Earnings per share

Basic earnings per share is calculated by dividing the Profit and total comprehensive income for the period by the weighted average number of ordinary shares in issue during the period. There are no dilutive instruments outstanding and so basic and diluted earnings per share are identical.

| | 31 Dec 2021 | 31 Dec 2020 | 30 June 2021 |
|---|---|---|---|
| Profit and total comprehensive income for the period | (£407,462) | (£508,587) | (£1,270,753) |
| Weighted average number of ordinary shares in the period | 15,609,854 | 15,609,854 | 15,609,854 |

## 10. Events after the balance sheet date

After the 31 December 2021 Bricklane Residential REIT Plc have sold properties for a consideration of £680,000.

Since the period end an interim dividend of 0.5p per share has been paid by the Directors.

## 11. Total adjusted profit to Shareholders

To provide shareholders with useful information and to show a result that reflects the underlying performance of the property portfolio, shareholders have been provided with an adjusted profit calculation, which excluded acquisitions costs incurred during the period.

In order to treat existing investors fairly, when the Company issued shares, the issue price used was calculated using net asset value and was adjusted for the amortisation of property acquisition costs. These acquisition costs were amortised over the first five years for each property from purchase. This practice is in line with other real estate investment companies.