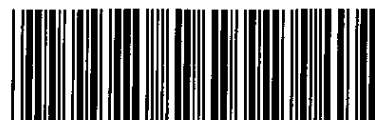


Company Registration No. 08864179 (England and Wales)

The Inspire Holding Company Limited

**Annual report and
group financial statements
for the year ended 30 September 2021**

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The Inspire Holding Company Limited

Company information

Director	Anthony Troy
Secretary	Anthony Troy
Company number	08864179
Registered office	Mitre House North Park Road Harrogate North Yorkshire HG1 5RX
Independent auditors	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX
Business address	Deganwy Quay Deganwy Conwy LL31 9DJ

The Inspire Holding Company Limited

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The Inspire Holding Company Limited

Strategic report

For the year ended 30 September 2021

The director presents the strategic report for the year ended 30 September 2021.

Fair review of the business

Total revenue for the Group was £6.67 million, representing 12 months of trading (2020: 18 months: £12.32m). An overview of performance of each property is detailed below.

Despite continuing disruption to trading due to Covid pandemic the Group still achieved a profit after tax of £0.72m (2020: 18 months: £0.84m) and operating profit (pre interest) of £1.36m (2020: 18 months: £1.68m).

We continued to pay interest of £169k and reduced our debt by £700k from cash flow. At the year-end cash in the group was a very positive £6.65m (2020: £5.33m).

We continued to invest in our properties throughout the pandemic.

We were also pleased to have a very positive first year at The Bridge at Grasmere following a £2m investment.

We still own 29 City Road Chester where we have planning permission for a 50 bedroom hotel which has been delayed due to Covid.

In the quarter to March 2022 we are investing a further £500k in improving our product through bedroom refurbishments.

We remain focused on developing our properties and would be open to expand the Group with a new acquisition.

The Inn at Grasmere and Ash Cottage Ltd, Grasmere

KPIs for the year ending 30th Sept 2021 were as follows:

Total revenue - £2.4 million, down 22% on prior period on an annualised basis due to lockdown.

Bridge House Hotel, Grasmere

KPIs for the year ending 30th Sept 2021 were as follows:

Total revenue - £789k, up 97% on prior year on an annualised basis due to being opened part way through the prior period.

Deganwy Quay Ltd, North Wales

KPIs for the year ending 30th Sept 2021 were as follows:

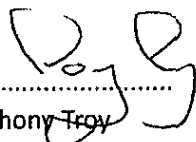
Total revenue - £3.3 million, down 29% on prior period on an annualised basis due to lockdown.

The Inspire Holding Company Limited

Strategic report (continued)

For the year ended 30 September 2021

On behalf of the board



.....
Anthony Troy
Director

Date: 25/04/22

The Inspire Holding Company Limited

Director's report

For the year ended 30 September 2021

The director presents his annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company is that of a holding company for a group of hotels.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Anthony Troy

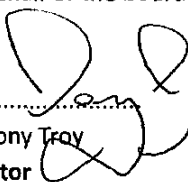
Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


.....
Anthony Troy
Director

Date: 25/04/22

The Inspire Holding Company Limited

Director's responsibilities statement For the year ended 30 September 2021

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Inspire Holding Company Limited

Independent auditor's report

To the members of The Inspire Holding Company Limited

Opinion

We have audited the financial statements of The Inspire Holding Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 and of the parent company's affairs as at 30 September 2021 and of the group's profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The Inspire Holding Company Limited

Independent auditor's report (continued)

To the members of The Inspire Holding Company Limited

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Inspire Holding Company Limited

Independent auditor's report (continued)

To the members of The Inspire Holding Company Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the director, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with director and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

The Inspire Holding Company Limited

Independent auditor's report (continued)

To the members of The Inspire Holding Company Limited

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Holden (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date:26 April 2022

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

The Inspire Holding Company Limited

**Group statement of comprehensive income
For the year ended 30 September 2021**

		Year ended 30 September 2021 £	Period ended 30 September 2020 £
	Notes		
Revenue	3	6,668,221	12,315,616
Cost of sales		(3,503,558)	(6,403,693)
Gross profit		3,164,663	5,911,923
Distribution costs		(34,890)	(200,428)
Administrative expenses		(2,924,426)	(4,699,340)
Other operating income		1,151,098	672,816
Operating profit	4	1,356,445	1,684,971
Investment income	7	-	64,351
Finance costs	8	(169,486)	(373,996)
Profit before taxation		1,186,959	1,375,326
Tax on profit	9	(470,168)	(535,700)
Profit for the financial year	22	716,791	839,626

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

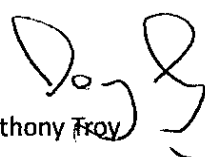
The income statement has been prepared on the basis that all operations are continuing operations.

The Inspire Holding Company Limited

Group statement of financial position
As at 30 September 2021

	Notes	£	2021 £	£	2020 £
Non-current assets					
Goodwill	10		1,321,359		1,761,812
Property, plant and equipment	11		11,015,309		11,767,833
			<u>12,336,668</u>		<u>13,529,645</u>
Current assets					
Inventories	14	58,249		68,274	
Trade and other receivables	15	312,141		377,039	
Cash and cash equivalents		6,652,305		5,331,172	
			<u>7,022,695</u>	<u>5,776,485</u>	
Current liabilities	16	(5,510,025)		(5,483,156)	
			<u>1,512,670</u>		<u>293,329</u>
Net current assets					
Total assets less current liabilities			<u>13,849,338</u>		<u>13,822,974</u>
Non-current liabilities	17		(8,181,250)		(8,893,750)
Provisions for liabilities					
Deferred tax liability	19	365,888		343,815	
			<u>(365,888)</u>	<u>343,815</u>	<u>(343,815)</u>
Net assets			<u>5,302,200</u>		<u>4,585,409</u>
Equity					
Called up share capital	21		1		1
Retained earnings	22		5,302,199		4,585,408
Total equity			<u>5,302,200</u>		<u>4,585,409</u>

The financial statements were approved and signed by the director and authorised for issue on 25/04/22


Anthony Froy
Director

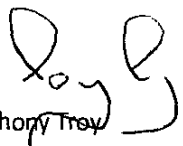
The Inspire Holding Company Limited

Company statement of financial position
As at 30 September 2021

	Notes	£	2021 £	£	2020 £
Non-current assets					
Property, plant and equipment	11		-		80,395
Investments	12		2,112,852		2,112,852
			<u>2,112,852</u>		<u>2,193,247</u>
Current assets					
Trade and other receivables	15	12,263,451		11,654,298	
Cash and cash equivalents		1,745,717		2,992,180	
			<u>14,009,168</u>	<u>14,646,478</u>	
Current liabilities	16	(7,343,050)		(7,484,969)	
Net current assets			<u>6,666,118</u>		<u>7,161,509</u>
Total assets less current liabilities			<u>8,778,970</u>		<u>9,354,756</u>
Non-current liabilities	17		(8,181,250)		(8,893,750)
Net assets			<u>597,720</u>		<u>461,006</u>
Equity					
Called up share capital	21		1		1
Retained earnings	22		597,719		461,005
Total equity			<u>597,720</u>		<u>461,006</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £136,714 (2020: £12,759 loss).

The financial statements were approved and signed by the director and authorised for issue on 25/04/22


Anthony Troy
Director

Company Registration No. 08864179

The Inspire Holding Company Limited

**Group statement of changes in equity
For the year ended 30 September 2021**

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2019	1	3,745,782	3,745,783
Period ended 30 September 2020:			
Profit and total comprehensive income for the period	-	839,626	839,626
Balance at 30 September 2020	1	4,585,408	4,585,409
Year ended 30 September 2021:			
Profit and total comprehensive income for the year	-	716,791	716,791
Balance at 30 September 2021	1	5,302,199	5,302,200

The Inspire Holding Company Limited

**Company statement of changes in equity
For the year ended 30 September 2021**

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2019	1	473,464	473,465
Period ended 30 September 2020:			
<i>Loss and total comprehensive income for the period</i>	-	(12,459)	(12,459)
Balance at 30 September 2020	1	461,005	461,006
Year ended 30 September 2021:			
<i>Profit and total comprehensive income for the year</i>	-	136,714	136,714
Balance at 30 September 2021	1	597,719	597,720

The Inspire Holding Company Limited

Group statement of cash flows

For the year ended 30 September 2021

	Notes	£	2021 £	£	2020 £
Cash flows from operating activities					
Cash generated from operations	26		2,737,318		950,938
Interest paid			(169,486)		(373,996)
Income taxes paid			(291,155)		(637,421)
Net cash inflow/(outflow) from operating activities			2,276,677		(60,479)
Investing activities					
Purchase of property, plant and equipment		(340,039)		(2,042,109)	
Proceeds on disposal of property, plant and equipment		84,495		42,941	
Interest received		-		64,351	
Net cash used in investing activities			(255,544)		(1,934,817)
Financing activities					
Proceeds of new bank loans		-		10,500,000	
Repayment of bank loans		(700,000)		(8,092,708)	
Net cash (used in)/generated from financing activities			(700,000)		2,407,292
Net increase in cash and cash equivalents			1,321,133		411,996
Cash and cash equivalents at beginning of year			5,331,172		4,919,176
Cash and cash equivalents at end of year			6,652,305		5,331,172

The Inspire Holding Company Limited

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies

Company information

The Inspire Holding Company Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX.

The group consists of The Inspire Holding Company Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £136,714 (2020: £12,759 loss).

1 Accounting policies (continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company The Inspire Holding Company Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

As a Group we have continued to pay interest and capital repayments to the bank and have kept up with all VAT, PAYE and corporation tax payments. The group has prepared detailed budgets and cash flow forecasts for the next 12 months and these show the business continuing to be able to trade profitably with significant cash headroom. The director is therefore confident that the group remains a going concern.

1.4 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of services is recognised at the point at which the services are delivered to the customer.

1 Accounting policies (continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	10-50 years straight line on buildings
Plant and machinery	5 years straight line
Fixtures, fittings & equipment	4-10 years straight line
Computer equipment	5 years straight line
Motor vehicles	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials. Provision is made for obsolete and slow moving items where appropriate.

1 Accounting policies (continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due ~~within one year or less. If not, they are presented as non-current liabilities.~~ Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Notes to the financial statements (continued)
For the year ended 30 September 2021

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Revenue

An analysis of the group's revenue is as follows:

	2021 £	2020 £
Revenue analysed by class of business		
Hotel income	6,560,221	12,315,616
Consultancy services	108,000	-
	<u>6,668,221</u>	<u>12,315,616</u>
	2021 £	2020 £
Revenue analysed by geographical market		
United Kingdom	<u>6,668,221</u>	<u>12,315,616</u>
	2021 £	2020 £
Other significant revenue		
Interest income	-	64,351
Grants received	<u>1,151,098</u>	<u>672,816</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,151,098)	(672,816)
Depreciation of owned property, plant and equipment	1,038,726	1,408,927
Profit on disposal of property, plant and equipment	(30,658)	-
Amortisation of intangible assets	440,453	714,017
Operating lease charges	2,467	1,077
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	20,700	18,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2021	2020
	Number	Number
Hotel staff	148	175
Management and administrative staff	5	6
	<u> </u>	<u> </u>
	153	181
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,513,993	3,854,637
Social security costs	179,566	298,871
Pension costs	37,442	2,622
	<u> </u>	<u> </u>
	2,731,001	4,156,130
	<u> </u>	<u> </u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

7 Investment income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	64,351

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	64,351
--	---	--------

8 Finance costs

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	169,486	373,996

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	435,006	442,281
Adjustments in respect of prior periods	40,366	(2,320)
Total current tax	475,372	439,961
Deferred tax		
Origination and reversal of timing differences	(101,654)	67,457
Changes in tax rates	71,396	-
Adjustment in respect of prior periods	25,054	28,282
Total deferred tax	(5,204)	95,739
Total tax charge	470,168	535,700

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

9 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,186,959	1,375,326
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	225,522	261,312
Tax effect of expenses that are not deductible in determining taxable profit	10,515	8,158
Unutilised tax losses carried forward	8,630	15,955
Depreciation on assets not qualifying for tax allowances	30,766	89,751
Other non-reversing timing differences	(2,229)	-
Under/(over) provided in prior years	40,366	(2,320)
Deferred tax adjustments in respect of prior years	(7,072)	28,282
Amortisation	83,686	135,663
Change in deferred tax rate	104,668	(1,101)
Other tax adjustments	(24,684)	-
Taxation charge	470,168	535,700

10 Intangible fixed assets

Group	Goodwill £	Tour bookings £	Total £
Cost			
At 1 October 2020 and 30 September 2021	4,604,530	246,000	4,850,530
Amortisation and impairment			
At 1 October 2020	2,842,718	246,000	3,088,718
Amortisation charged for the year	440,453	-	440,453
At 30 September 2021	3,283,171	246,000	3,529,171

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

10 Intangible fixed assets (continued)

Carrying amount

At 30 September 2021	1,321,359	-	1,321,359
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2020	1,761,812	-	1,761,812
	<u> </u>	<u> </u>	<u> </u>

The company had no intangible fixed assets at 30 September 2021 or 30 September 2020.

Notes to the financial statements (continued)
For the year ended 30 September 2021

11 Property, plant and equipment

Group	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£	£
At 1 October 2020	12,097,145	277,124	18,296	4,380,782	15,625	132,790	16,921,762
Additions	151,672	-	-	188,367	-	-	340,039
Disposals	-	-	-	-	-	(132,790)	(132,790)
At 30 September 2021	12,248,817	277,124	18,296	4,569,149	15,625	-	17,129,011
Depreciation and impairment							
At 1 October 2020	2,041,332	135,811	13,778	2,895,848	14,765	52,395	5,153,929
Depreciation charged in the year	512,389	11,085	1,625	486,268	801	26,558	1,038,726
Eliminated in respect of disposals	-	-	-	-	-	(78,953)	(78,953)
At 30 September 2021	2,553,721	146,896	15,403	3,382,116	15,566	-	6,113,702
Carrying amount							
At 30 September 2021	9,695,096	130,228	2,893	1,187,033	59	-	11,015,309
At 30 September 2020	10,055,813	141,313	4,518	1,484,934	860	80,395	11,767,833

The Inspire Holding Company Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

Company	Motor vehicles £
Cost	
At 1 October 2020	132,790
Disposals	(132,790)
At 30 September 2021	-
Depreciation and impairment	
At 1 October 2020	52,395
Depreciation charged in the year	26,558
Eliminated in respect of disposals	(78,953)
At 30 September 2021	-
Carrying amount	
At 30 September 2021	-
At 30 September 2020	80,395

12 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
Notes					
Investments in subsidiaries	13	-	-	2,112,852	2,112,852

Movements in non-current investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 October 2020 and 30 September 2021	2,112,852
Carrying amount	
At 30 September 2021	2,112,852
At 30 September 2020	2,112,852

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Ash Cottage Propco Limited	England & Wales	Ordinary	100.00	-
Bridge House Hotel Limited	England & Wales	Ordinary	100.00	-
Deganwy Quay Limited	England & Wales	Ordinary	100.00	-
Quay Propco Limited	England & Wales	Ordinary	100.00	-
The Inn at Grasmere Limited	England & Wales	Ordinary	100.00	-
Twenty Nine City Road Limited	England & Wales	Ordinary	100.00	-

The following subsidiaries are exempt from audit under the requirements of s479A of the Companies Act 2006. The Inspire Holding Company Limited guarantees the companies under s479C of the Companies Act 2006 in respect of the year ended 30 September 2021.

Quay Propco Limited - company no. 08924336
The Inn at Grasmere Limited - company no. 08864536
Bridge House Hotel Limited - company no. 04289948
Twenty Nine City Road - company no. 10285540
Deganwy Quay Limited - company no. 04180826

14 Inventories

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	1,400	1,500	-	-
Finished goods and goods for resale	56,849	66,774	-	-
	<u>58,249</u>	<u>68,274</u>	<u>-</u>	<u>-</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

15 Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	96,955	56,546	-	-
Corporation tax recoverable	-	50,577	-	-
Other receivables	49,678	196,795	33,204	305
Prepayments and accrued income	131,373	66,263	12,000	9,732
	<u>278,006</u>	<u>370,181</u>	<u>45,204</u>	<u>10,037</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	12,210,728	11,637,403
Deferred tax asset (note 19)	34,135	6,858	7,519	6,858
	<u>34,135</u>	<u>6,858</u>	<u>12,218,247</u>	<u>11,644,261</u>
Total debtors	<u>312,141</u>	<u>377,039</u>	<u>12,263,451</u>	<u>11,654,298</u>

16 Current liabilities

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	18	700,000	687,500	700,000	687,500
Trade payables		469,842	511,478	-	-
Amounts owed to group undertakings		-	-	3,499,936	3,480,778
Corporation tax payable		272,750	139,110	29,226	3,767
Other taxation and social security		198,616	131,771	-	-
Other payables		3,365,653	3,598,099	3,059,969	3,253,375
Accruals and deferred income		503,164	415,198	53,919	59,549
		<u>5,510,025</u>	<u>5,483,156</u>	<u>7,343,050</u>	<u>7,484,969</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

17 Non-current liabilities

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	18	<u>8,181,250</u>	<u>8,893,750</u>	<u>8,181,250</u>	<u>8,893,750</u>

18 Borrowings

		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Bank loans		<u>8,881,250</u>	<u>9,581,250</u>	<u>8,881,250</u>	<u>9,581,250</u>
Payable within one year		700,000	687,500	700,000	687,500
Payable after one year		<u>8,181,250</u>	<u>8,893,750</u>	<u>8,181,250</u>	<u>8,893,750</u>

The bank loans are secured by way of fixed and floating charges in favour of Santander UK Plc dated 1 April 2019 over the freehold property known as Bridge House Hotel, Ash Cottage, Red Lion Hotel and Deganwy Quay Hotel and the leasehold property known as Deganwy Quay Hotel.

The group has bank loans with Santander UK Plc which commenced on 1 April 2019 comprising a 60 month loan facility. The repayment terms comprise quarterly instalments and a bullet payment at the termination date. The loans are subject to interest at 1.85% plus LIBOR.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
Group	£	£	£	£
Accelerated capital allowances	365,888	345,074	34,135	6,858
Short term timing differences	-	(1,259)	-	-
	<u>365,888</u>	<u>343,815</u>	<u>34,135</u>	<u>6,858</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

19 Deferred taxation (continued)

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Company				
Accelerated capital allowances	-	-	7,519	6,858
			Group 2021 £	Company 2021 £
Movements in the year:				
Liability/(Asset) at 1 October 2020			336,957	(6,858)
Credit to profit and loss			(5,204)	(661)
Liability/(Asset) at 30 September 2021			331,753	(7,519)

The deferred tax liability set out above is not expected to reverse within 12 months.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	37,442	2,622

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

Group and company	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	1	1	1	1

The Company has one class of ordinary shares which carry no right to fixed income and full voting rights.

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

22 Retained earnings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	4,585,408	3,745,782	461,005	473,464
Profit/(loss) for the year	716,791	839,626	136,714	(12,459)
At the end of the year	<u>5,302,199</u>	<u>4,585,408</u>	<u>597,719</u>	<u>461,005</u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of property, plant and equipment	<u>-</u>	<u>122,488</u>	<u>-</u>	<u>-</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

24 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of other assets	
	2021	2020
	£	£
Group		
Key management personnel	84,495	-

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£	£
Group and company		
Key management personnel	3,059,969	3,182,464
Company		
Entities over which the company has control, joint control or significant influence	3,499,936	3,480,788

The director's loan is unsecured, interest free and repayable on demand.

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2021	2020
Company		
Entities over which the company has control, joint control or significant influence	12,210,728	11,637,403
	<u>12,210,728</u>	<u>11,637,403</u>

No guarantees have been given or received.

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

25 Controlling party

The ultimate party is Anthony Troy by virtue of his 100% shareholding in the company.

26 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	716,791	839,626
Adjustments for:		
Taxation charged	470,168	535,700
Finance costs	169,486	373,996
Investment income	-	(64,351)
Gain on disposal of property, plant and equipment	(30,658)	-
Amortisation and impairment of intangible assets	440,453	714,017
Depreciation and impairment of property, plant and equipment	1,038,726	1,408,927
Movements in working capital:		
Decrease in inventories	10,025	9,141
Decrease in trade and other receivables	41,598	160,773
Decrease in trade and other payables	(119,271)	(3,026,891)
Cash generated from operations	<u>2,737,318</u>	<u>950,938</u>

27 Analysis of changes in net debt - group

	1 October 2020 £	Cash flows 30 September 2021 £	£
Cash at bank and in hand	5,331,172	1,321,133	6,652,305
Borrowings excluding overdrafts	(9,581,250)	700,000	(8,881,250)
	<u>(4,250,078)</u>	<u>2,021,133</u>	<u>(2,228,945)</u>

The Inspire Holding Company Limited

Notes to the financial statements (continued)

For the year ended 30 September 2021

28 Analysis of changes in net debt - company

	1 October 2020	Cash flows	30 September 2021
	£	£	£
Cash at bank and in hand	2,992,180	(1,246,463)	1,745,717
Borrowings excluding overdrafts	(9,581,250)	700,000	(8,881,250)
	<u>(6,589,070)</u>	<u>(546,463)</u>	<u>(7,135,533)</u>