

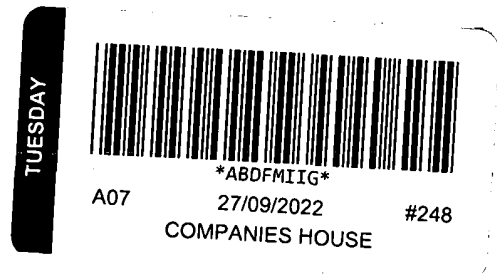
INSPIREDSPACES DURHAM LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021



INSPIREDSAPCES DURHAM LIMITED

COMPANY INFORMATION

Directors	KJ Edwards DC Ward K Savjani JP Marsh (appointed 1 January 2021) J G Du Plessis (appointed 17 December 2021)
Registered number	06844166 (England & Wales)
Registered office	3 More London Riverside London SE1 2AQ
Accountants	Crowe U.K. LLP Chartered Accountants 3rd floor The Lexicon Mount Street Manchester M2 5NT

INSPIREDSPACES DURHAM LIMITED

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INSPIREDSPACES DURHAM LIMITED
REGISTERED NUMBER: 06844166

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	5	1	1
Current assets			
Debtors: amounts falling due after more than one year	6	431	431
Debtors: amounts falling due within one year	6	47	41
Cash at bank and in hand		78	63
		<u>556</u>	<u>535</u>
Creditors: amounts falling due within one year	7	(95)	(91)
Net current assets		<u>461</u>	<u>444</u>
Total assets less current liabilities		<u>462</u>	<u>445</u>
Creditors: amounts falling due after more than one year	8	(431)	(431)
Net assets		<u><u>31</u></u>	<u><u>14</u></u>
Capital and reserves			
Called up share capital		10	10
Profit and loss account		21	4
		<u><u>31</u></u>	<u><u>14</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

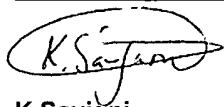
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

INSPIREDSPACES DURHAM LIMITED
REGISTERED NUMBER: 06844166

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021



K Savjani
Director

Date: 20/09/2022

The notes on pages 3 to 7 form part of these financial statements.

INSPIREDSPACES DURHAM LIMITED

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

1. General information

Inspiredspaces Durham Limited (the "Company") is a company limited by shares and registered in England and Wales. The registered number is 06844166 and the registered address is 3 More London Riverside, London, SE1 2AQ.

The principal activity of the company was management of schools construction projects.

All amounts in the financial statements have been rounded to the nearest £1,000 unless stated otherwise.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company historically existed to deliver various services under a strategic partnership agreement with Durham County Council, including delivery of education infrastructure, ICT services and facilities management services. However, the directors intend to cease trading following a planned restructure in the company to sell its underlying investments and terminate its obligations to provide services to Durham County Council. The only remaining activity of the company is ongoing management of defect claims arising from contracts to design and build certain schools for which the company has liability following the liquidation of the construction contractor. The amount of any future claims is uncertain and following the restructuring described above the company has no further sources of income. There is therefore a risk that in the future the company will have insufficient resources to cover the claims arising.

As a result of these factors as well as the directors' intention not to acquire a replacement trade, the financial statements have not been prepared on a going concern basis. No adjustments to the assets or liabilities of the company were required as a result of this.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes

2.4 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

INSPIREDSPACES DURHAM LIMITED

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

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in participating interests are measured at cost less accumulated impairment.

2.6 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.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The company has a provision in respect of the cost of settling defect claims arising from a number of school design and build schemes delivered in previous years. Assessing the value of the defect provision requires judgement in estimating the cost of defect rectification and the outcome of discussions with the relevant schools and with Durham County Council.

The directors therefore deem there to be significant estimation uncertainty relating to the defect provision due to the range of potential costs that could arise and uncertainty in relation to the outcome of ongoing negotiations on existing defect claims. The directors consider the defect provision to be their best estimate of the likely costs of settling the claims.

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

INSPIREDSPACES DURHAM LIMITED

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

5. Fixed asset investments

	Investments in participating interests £'000
Cost or valuation	
At 1 January 2021	1
At 31 December 2021	<u>1</u>

Participating interests

Investments in participating interests represent 10% holdings in the equity share capital of Inspiredspaces Durham (Holdings1) Limited registered in England. The principal activities of that company are the design, build and operation of schools in the Durham area.

6. Debtors

	2021 £000	2020 £000
Due after more than one year		
Due from participating interests	431	431
	<u>431</u>	<u>431</u>

Included within debtors in 2021 are unsecured loans to project company of £431,000 (2020:£457,000).

	2021 £000	2020 £000
Due within one year		
Due from participating interests	-	26
Other debtors	47	15
	<u>47</u>	<u>41</u>

INSPIREDSPACES DURHAM LIMITED

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

7. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	4	5
Amounts owed to shareholders	8	26
Other creditors	-	29
Accruals and deferred income	83	31
	<u>95</u>	<u>91</u>

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

	2021 £000	2020 £000
Amounts owed to shareholders	431	431
	<u>431</u>	<u>431</u>

Included within creditors in 2021 are unsecured loans from shareholders of £439,000 (2020: £457,000).

9. Contingent liabilities

The company was responsible for procuring the delivery of certain design and build school projects over a number of years. The construction contractor who undertook these projects entered into liquidation and as a result any liability for defects arising as a result of those design and build contracts now rests with the company. The directors have made provision for their best estimate of the costs of known claims, however it is possible that future claims will be received for which provision will be required. The period during which defect claims could be made runs until 2028.

10. Post balance sheet events

As at 6 June 2022, financial restructuring took place which resulted in loan notes receivable from the Project company being settled with the loan notes payable to the shareholders. The investments in the Proj Co / Hold Co, that are currently held by the LEP will effectively become Hold Co investments. As a result the LEP will cease to hold any investment in the shares and loan notes issued by the Proj Co / Hold Co. As part of the restructuring Durham County Council have sold their investment to BSFI and no longer have an investment in the scheme

INSPIREDSAPCES DURHAM LIMITED

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

11. Related party transactions

During the year revenue included £234,000 (2020 - £230,000) in respect of construction, ICT and administration services, provided to Durham County Council, a related party by virtue of its interest in the Company. As at 31 December 2021, £nil (2020 - £nil) was owed by Durham County Council.

During the year the Company incurred charges from related parties as follows;

Interest payable of £2,483 (2020 £5,000) in respect of construction, ICT and administration services, provided by Durham County Council, a related party by virtue of its interest in the Company. As at 31 December 2021, £2,483 (2020 - £1,000) was owed to Durham County Council.

Interest payable of £2,483 (2020: £5,000) and £Nil (2020 - £Nil) in respect of construction, ICT and administration services provided by BSFi, a related party by virtue of its interest in the Company. As at 31 December 2021, £2,483 (2020 - £1,000) was owed to BSFi.

As at 31 December 2021, £19,866 (2020: £Nil) was owed to Amber LEP Investments Limited, a related party by virtue of its interest in the company.

Interest payable of £Nil (2020 - £42,000) to Inspiredspaces Durham (PSP1) Limited, a related party by virtue of its interest in the company. At 31 December 2021, £Nil (2020: £5,000) was owed to Inspiredspaces Durham (PSP1) Limited.

During the year interest of £Nil (2020: £52,000) were received from Inspiredspaces Durham (Holdings1) Limited, a related party by virtue of the Company's shareholding in it. As at 31 December 2020 amounts due from Inspiredspaces Durham (Holdings1) Limited were £Nil (2020: £6,000).

12. Controlling party

As at 31 December 2021, 80% of the issued share capital of the Company was held by Inspiredspaces Durham (PSP1) Limited, 10% by Durham County Council and 10% by Building Schools for the Future Investments LLP. Under the terms of a shareholders' agreement, no individual shareholder is able to control or exert significant influence over the company and therefore, in the directors' opinion, there is no ultimate controlling party.