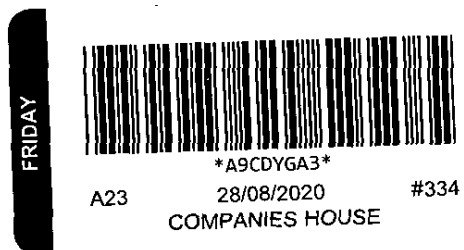


Company Registration No. 03666295 (England and Wales)

**INTER RESTED LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



## **INTER RESTED LIMITED**

### **COMPANY INFORMATION**

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<b>Director</b>	Roger Hancox
<b>Secretary</b>	Diana Hancox
<b>Company number</b>	03666295
<b>Registered office</b>	Sudbury House 56 London Street Faringdon Oxfordshire England SN7 7AA
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

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# **INTER RESTED LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 3
Director's report	4 - 5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 38

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# INTER RESTED LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The director presents the strategic report for the year ended 31 December 2019.

### **Fair review of the business**

Overall we achieved an improved trading performance with growth in both sales (8.7%) and profitability (32.5%) which was supported by a mixed set of trading results across the Group with some properties performing ahead of expectations. In others there remains much to do and the uncertainty created by the Governments restrictions in response to the Covid virus will severely hamper those efforts. It is pleasing to report that the businesses in Australia and New Zealand had a better year with Australia making significant progress in re-establishing itself in certain product areas.

We continued our efforts in consolidating and strengthening the management systems in the hospitality business which are aimed at creating a more cohesive group. This will yield improvements in the management of existing businesses and will also place us in a better position to support our aims of making further acquisitions.

Strategic investments across the UK estate were made throughout 2019 including completion of the new clubhouse at Hawkstone Park which will be open in early 2020 in time to mark the golf clubs centenary. Progress was also made in the refurbishment of Hellidon Lakes including completion of the restaurant and conference/ event facilities and the refurbishment of the spa facilities, improvements to the swimming pool are planned for this year.

Our search for new growth opportunities will continue in 2020 as we continue to re-focus the business in the UK hospitality sector. The current closure, due to Covid restrictions, of our hospitality business and disruption to our overseas operations will have a major impact on our performance during the current year.

## **INTER RESTED LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Principal risks and uncertainties**

It is expected that further investments will be made in the hospitality sector, the timing of this will depend on the availability of suitable opportunities that fit the strategy of the group. Increasing competition in hospitality requires our product to be constantly assessed for quality and value in the market we operate.

The current COVID-19 pandemic has increased uncertainty within the hospitality sector as a whole. The group continue to plan how best to respond to this and place itself in the best position possible to safe guard its customers and manage any guidelines as lock down is eased.

#### **Financial Instruments**

The group's principal financial instruments comprise bank overdrafts, cash and short term investments, trade debtors and trade creditors. The group's operations expose it to a wide variety of financial risks including the effects of changes in foreign currency exchange rates, credit risk, liquidity risk and cash flow interest rate risk.

#### **Foreign currency risk**

The group's exposure to exchange rate risk is predominantly due to the Australia and New Zealand businesses, however some supplier costs have increased due to the pressure on the cost of supplies to the hospitality industry.

#### **Credit risk**

Group companies grant trade credit to customers in the normal course of business. Prior to granting credit, investigations are made to determine the creditworthiness of customers and to establish credit limits and payments terms. The customer base of the group is large and diverse and generally of high quality. The group is not exposed to any single customer whose failure would give rise to any cash flow difficulty for the group.

Customer balances are closely monitored and a hierarchy of procedures are applied to pursue collection where it is delayed. The group has a prudent approach to the provision for bad and doubtful debts. Trade debtors are presented in the balance sheet net of bad and doubtful debt provisions.

#### **Liquidity risk**

At the year end, cash balances totalled £31.1m (2018: £32.2m). These resources give the group considerable flexibility to meet future funding needs.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and backed by government support.

#### **Cash flow interest rate risk**

The group has overdrafts and cash deposits on which it pay and receives interest at market related rates. The group does not hedge interest rate risk. Interest rate and borrowing position are reviewed regularly and positions are adjusted as circumstances dictate. The financial position of the group ensures that there will be no material adverse effect on performance of the group through interest rate and borrowing changes.

#### **Going concern**

In common with the majority of UK companies, the current economic conditions create uncertainty. However, the director has carefully considered the appropriateness of preparing the financial statements on a going concern basis. Details of the director's review and conclusion concerning going concern are detailed within the accounting policies note to the financial statements.

Events surrounding the COVID-19 pandemic continue to threaten the whole of the hospitality market with operations currently under lock down, however as noted above, the directors continue to protect the business during this period and plan for eventual easing of restrictions to position the business for a successful return.

## INTER RESTED LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Key performance indicators

The key performance indicators which the director targets are sales growth, operating profit as a percentage of sales and return on capital employed. The objective is to at least exceed inflation in sales growth and to improve the operating ratios year on year.

	2019	2018
- Sales increase/(reduction)	8.70%	(78.40)%
- Operating profit/(loss) as a percentage of sales	1.23%	(4.78)%
- Return on capital employed	0.61%	(2.29)%

#### Other performance indicators

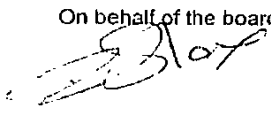
The group, through its subsidiary companies, participates in trade associations and contributes and receives sales statistics in certain geographic product and market sectors. Such information is unaudited and, as it does not include all market participants, is partially incomplete. Nevertheless the information available suggests that the group is maintaining or modestly improving its market share of key products for renewable systems.

#### Employee matters

The group pursues policies designed to encourage employees to identify with the group and use their knowledge and skills actively towards its success. Managers are encouraged to make employees aware of the financial and economic factors affecting the group's performance.

Full consideration is given to employment applications from disabled persons who have the necessary aptitudes and abilities. Where an employee becomes disabled while employed, arrangements are made wherever practicable to maintain employment. The group seeks to develop the skills of disabled persons by providing appropriate training, taking into accounts their particular needs.

On behalf of the board



Roger Hancox

Director

23<sup>rd</sup> July 2020

# INTER RESTED LIMITED

## DIRECTOR'S REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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The director presents his annual report and financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company is that of an investment holding company.

The principal activity of the group is that of hospitality services, following the sale of the majority of its heating business in February 2017.

### **Director**

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

Roger Hancox

### **Results and dividends**

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

No ordinary dividends were paid (2018 - no ordinary dividends were paid). The director does not recommend payment of a dividend.

### **Matters covered in the strategic report**

Principal risks and uncertainties facing the group, key performance indicators and employee matters have been included within the group strategic report.

### **Auditor**

Ormerod Rutter Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of director's responsibilities**

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.

**INTER RESTED LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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 director has taken all the necessary steps that they ought to have taken as a director 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



Roger Hancox

Director

Date: ..... 23RD Jan 2020



# INTER RESTED LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INTER RESTED LIMITED

---

#### Opinion

We have audited the financial statements of Inter Rested Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the Group profit and loss account, the Group statement of comprehensive income, the Group balance sheet, the Company balance sheet, 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2019 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 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

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

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

#### Other information

The 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.

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

We have nothing to report in this regard.

## **INTER RESTED LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF INTER RESTED LIMITED**

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##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 its 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 where 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 director's 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's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

## INTER RESTED LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INTER RESTED LIMITED

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#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Baldwin ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Ormerod Rutter Limited

24/7/2020

Chartered Accountants  
Statutory Auditor

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

## **INTER RESTED LIMITED**

### **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Turnover	3	17,507	16,106
Cost of sales		(6,244)	(5,659)
Gross profit		11,263	10,447
Administrative expenses		(11,372)	(11,581)
Other operating income		325	364
Operating profit/(loss)	4	216	(770)
Interest receivable and similar income	8	312	286
Interest payable and similar expenses	9	(28)	(5)
Profit/(loss) before taxation		500	(489)
Tax on profit/(loss)	10	(194)	720
Profit for the financial year	24	306	231

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

## INTER RESTED LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

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	2019 £'000	2018 £'000
Profit for the year	306	231
Other comprehensive income		
Revaluation of tangible fixed assets	15	1,044
Currency translation differences	(113)	(10)
Tax relating to other comprehensive income	(196)	(12)
Other comprehensive income for the year	(294)	1,022
Total comprehensive income for the year	12	1,253

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

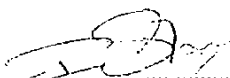
# INTER RESTED LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Goodwill	11		579		684
Tangible assets	12		41,350		39,675
Investment properties	13		4,280		4,312
			<u>46,209</u>		<u>44,671</u>
<b>Current assets</b>					
Stocks	17	976		1,016	
Debtors	18	1,994		1,298	
Cash at bank and in hand		31,051		32,171	
		<u>34,021</u>		<u>34,485</u>	
<b>Creditors: amounts falling due within one year</b>	19	(3,276)		(2,433)	
<b>Net current assets</b>			<u>30,745</u>		<u>32,052</u>
<b>Total assets less current liabilities</b>			<u>76,954</u>		<u>76,723</u>
<b>Provisions for liabilities</b>	21		(1,486)		(1,267)
<b>Net assets</b>			<u><u>75,468</u></u>		<u><u>75,456</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		80		80
Revaluation reserve	24		9,125		9,306
Capital redemption reserve	24		20		20
Profit and loss reserves	24		66,243		66,050
<b>Total equity</b>			<u><u>75,468</u></u>		<u><u>75,456</u></u>

The financial statements were approved and signed by the director and authorised for issue on 23rd July 2020



Roger Hancox  
Director

# INTER RESTED LIMITED

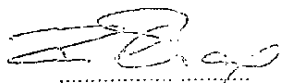
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		6		16
Investments	14		48,142		46,168
			<u>48,148</u>		<u>46,184</u>
<b>Current assets</b>					
Debtors	18	1		1	
Cash at bank and in hand		27,422		29,289	
		<u>27,423</u>		<u>29,290</u>	
<b>Creditors: amounts falling due within one year</b>	19	(105)		(71)	
<b>Net current assets</b>			<u>27,318</u>		<u>29,219</u>
<b>Total assets less current liabilities</b>			<u>75,466</u>		<u>75,403</u>
<b>Provisions for liabilities</b>	21		(1)		-
<b>Net assets</b>			<u><u>75,465</u></u>		<u><u>75,403</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		80		80
Revaluation reserve	24		8,597		8,651
Capital redemption reserve	24		20		20
Profit and loss reserves	24		66,768		66,652
<b>Total equity</b>			<u><u>75,465</u></u>		<u><u>75,403</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £116,000 (2018 - £8,251,000 profit).

The financial statements were approved and signed by the director and authorised for issue on 23rd July 2020



Roger Hancox  
Director

Company Registration No. 03666295

# INTER RESTED LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	80	8,239	20	65,864	74,203
Year ended 31 December 2018:					
Profit for the year	-	-	-	231	231
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	(10)	(10)
Revaluation of tangible fixed assets	-	1,044	-	-	1,044
Tax relating to other comprehensive income	-	23	-	(35)	(12)
Total comprehensive income for the year	-	1,067	-	186	1,253
Balance at 31 December 2018	80	9,306	20	66,050	75,456
Year ended 31 December 2019:					
Profit for the year	-	-	-	306	306
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	(113)	(113)
Revaluation of tangible fixed assets	-	15	-	-	15
Tax relating to other comprehensive income	-	(196)	-	-	(196)
Total comprehensive income for the year	-	(181)	-	193	12
Balance at 31 December 2019	80	9,125	20	66,243	75,468



# INTER RESTED LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	80	15,702	20	58,401	74,203
Year ended 31 December 2018:					
Profit for the year	-	-	-	8,251	8,251
Other comprehensive income:					
Revaluation of fixed asset investments					
- other movements	-	(7,051)	-	-	(7,051)
Total comprehensive income for the year	-	(7,051)	-	8,251	1,200
Balance at 31 December 2018	80	8,651	20	66,652	75,403
Year ended 31 December 2019:					
Profit for the year	-	-	-	116	116
Other comprehensive income:					
Revaluation of fixed asset investments	-	(54)	-	-	(54)
Total comprehensive income for the year	-	(54)	-	116	62
Balance at 31 December 2019	80	8,597	20	66,768	75,465

# INTER RESTED LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		1,151		738
Interest paid			(28)		(5)
Income taxes (paid)/refunded			(122)		618
<b>Net cash inflow from operating activities</b>			<u>1,001</u>		<u>1,351</u>
<b>Investing activities</b>					
Purchase of business		-		(7,682)	
Purchase of intangible assets		-		8,000	
Purchase of tangible fixed assets		(2,411)		(9,989)	
Proceeds on disposal of tangible fixed assets		16		-	
Purchase of investment property		-		(364)	
Interest received		312		286	
<b>Net cash used in investing activities</b>			<u>(2,083)</u>		<u>(9,749)</u>
<b>Net decrease in cash and cash equivalents</b>			<u>(1,082)</u>		<u>(8,398)</u>
Cash and cash equivalents at beginning of year			32,145		40,412
Effect of foreign exchange rates			(12)		131
<b>Cash and cash equivalents at end of year</b>			<u><u>31,051</u></u>		<u><u>32,145</u></u>
<b>Relating to:</b>					
Cash at bank and in hand			31,051		32,170
Bank overdrafts included in creditors payable within one year			-		(25)

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Inter Rested Limited ("the company") is a private limited company domiciled and incorporated in England and Wales.

The registered office is Sudbury House, 56 London Street, Faringdon, Oxfordshire, England, SN7 7AA.

The group consists of Inter Rested 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 £'000.

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

In regard of the individual company financial statements, the company meets the definition of a qualifying entity under FRS102 and has taken advantage of the disclosure exemptions available to it in respect of its individual company financial statements. Exemptions have been taken in relation financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### 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.

The consolidated financial statements incorporate those of Inter Rested Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. 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.

## INTER RESTED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.3 Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are also described in the strategic report. The group has considerable financial resources including cash and unutilised banking facilities which together with investments in subsidiaries across different geographical areas, gives the director confidence that the group is well placed to manage its business risk successfully, despite the current uncertain economic outlook.

On this basis, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and these financial statements are continued to be prepared on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets 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:

Freehold land and buildings - hotels	not depreciated
Freehold land and buildings - other	50 years straight line
Plant and equipment	1 - 10 years straight line
Fixtures and fittings	2 - 10 years straight line
Classic cars	not depreciated
Motor vehicles	1 - 5 years straight line
Artwork and antiques	not depreciated

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 profit and loss account.

Individual freehold properties are carried at current year value at fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value as at the balance sheet date.

Fair values are determined from market based evidence, the advice of professionally qualified valuers and recent transactions for comparable real estate, adjusted if necessary for any differences in the nature, location or condition of the specific assets. Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the profit and loss account.

Classic cars and artwork and antiques are deemed to have an indefinite useful life and as such are not subject to depreciation.

Consistent with statutory requirements, classic cars and grade II and grade II\* listed freehold buildings are maintained to a high standard and as such they are not being depreciated, on the basis that their residual value is not considered to be materially different from their carrying value.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are revalued annually and are included in the company's individual balance sheet at their fair value. Fair value is determined by the director by reference to the underlying net assets, the earnings of the business and market indicators as to value.

Long term intercompany loans are included within fixed asset investments in the company's individual balance sheet. Due to the nature of the long term loans, the director views these as an investment in the group undertakings.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash at bank and in hand

Cash at bank and in hand 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.

#### 1.12 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 balance sheet 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 debtors and cash and bank balances, 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **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.

## INTER RESTED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 Accounting policies

(Continued)

##### *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.

##### *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 creditors, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### *Derecognition of financial liabilities*

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

#### 1.13 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.

#### 1.14 Taxation

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



# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

#### **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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

#### **1.15 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 fixed 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.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.18 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

The trading results of overseas undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in other comprehensive income.

### 2 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Classic cars and art and antiques deemed to have indefinite useful economic lives*

Management consider classic cars and art and antiques deemed to have indefinite useful economic lives and on this basis, no depreciation is charged on these assets.

See note 12 for the net carrying amount of classic cars and art and antiques held within tangible fixed assets.

#### *Revaluation of investment in subsidiaries (company's individual balance sheet only)*

Management have elected to measure investments in subsidiaries at fair value, rather than at historic cost, where fair value is determined by the director by reference to the underlying net assets, the earnings of the business and market indicators.

See note 14 for the net carrying amount of investments in subsidiaries held within fixed asset investments within the individual company's balance sheet.

#### *Classification of long term loans to subsidiaries as fixed asset investments (company's individual balance sheet only)*

Long term intercompany loans are included within fixed asset investments in the company's individual balance sheet. Due to the nature of the long term loans, which includes loans to a Scottish Limited Partnership (see note 15), the director views these as an investment in the group undertakings.

See note 14 for the net carrying amount of long term loans to subsidiaries held within fixed asset investments within the individual company's balance sheet.

## INTER RESTED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Revaluation of investment property

Management estimation is required to determine the fair value of investment property and have assessed this valuation for impairment. Management have used their knowledge of market priced to estimate the value of these properties.

See note 13 for the net carrying amount of investment property.

##### Revaluation of freehold property

Management estimation is required to determine the fair value of freehold property. Fair values are determined from market based evidence, the advice of professional qualified valuers and recent transactions for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific assets.

See note 12 for the net carrying amount of freehold property held within tangible fixed assets.

##### Useful economic life of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 12 for the net carrying amount of tangible fixed assets.

#### 3 Turnover and other revenue

	2019 £'000	2018 £'000
Turnover analysed by class of business		
Hotels and hospitality services	13,022	12,631
Distribution of industrial burners, pumps, meters and blowers	4,485	3,475
	<u>17,507</u>	<u>16,106</u>
Other significant revenue		
Interest income	312	286
Rental income arising from investment properties	<u>325</u>	<u>364</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3	Turnover and other revenue	(Continued)			
		2019	2018		
		£'000	£'000		
	Turnover analysed by geographical market				
	United Kingdom	13,022	12,630		
	Rest of the world	4,485	3,476		
		<u>17,507</u>	<u>16,106</u>		
4	Operating profit/(loss)	2019	2018		
		£'000	£'000		
	Operating profit/(loss) for the year is stated after charging/(crediting):				
	Exchange losses/(gains)	28	(50)		
	Depreciation of owned tangible fixed assets	683	698		
	Profit on disposal of tangible fixed assets	(16)	-		
	Amortisation of intangible assets	105	104		
	Operating lease charges	11	12		
		<u></u>	<u></u>		
5	Auditor's remuneration	2019	2018		
		£'000	£'000		
	Fees payable to the company's auditor and associates:				
	For audit services				
	Audit of the financial statements of the group and company	18	18		
		<u></u>	<u></u>		
	For other services				
	All other non-audit services	14	13		
		<u></u>	<u></u>		
6	Employees				
	The average monthly number of persons (including the director) employed by the group and company during the year was:				
	Group	2018	Company	2018	
	2019	Number	2019	Number	
	Number		Number		
	Sales, administration and distribution	364	424	3	3
	Manufacturing	6	19	-	-
		<u>370</u>	<u>443</u>	<u>3</u>	<u>3</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Wages and salaries	6,722	7,018	70	67
Social security costs	364	370	4	6
Pension costs	155	133	1	1
	<u>7,241</u>	<u>7,521</u>	<u>75</u>	<u>74</u>

### 7 Director's remuneration

	2019 £'000	2018 £'000
Remuneration for qualifying services	<u>9</u>	<u>9</u>

### 8 Interest receivable and similar income

	2019 £'000	2018 £'000
Interest income		
Interest on bank deposits	<u>312</u>	<u>286</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>312</u>	<u>286</u>
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### 9 Interest payable and similar expenses

	2019 £'000	2018 £'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	<u>28</u>	<u>5</u>

### 10 Taxation

	2019 £'000	2018 £'000
<b>Current tax</b>		
Adjustments in respect of prior periods	-	(1)
Foreign current tax on profits for the current period	103	64
Adjustments in foreign tax in respect of prior periods	1	(4)
Total current tax	<u>104</u>	<u>59</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation	(Continued)	
Deferred tax		
Origination and reversal of timing differences	136	(105)
Changes in tax rates	(44)	6
Adjustment in respect of prior periods	(2)	(680)
Total deferred tax	<u>90</u>	<u>(779)</u>
Total tax charge/(credit)	<u>194</u>	<u>(720)</u>

Finance (No 2) Act 2015 introduced legislation reducing the rate of corporation tax from 20% at 1 April 2016, to 19% from 1 April 2017 and to 18% from 1 April 2020. Finance Act 2016, which received Royal Assent on 15 September 2016, introduced legislation further reducing the corporation tax rate to 17% from 1 April 2020. On 11 March 2020, the UK Budget announcement stated that the corporation tax rate reduction to 17% from 1 April 2020 will no longer take place and that the current rate of 19% will remain in force.

The deferred tax balances at 31 December 2019 for UK based group companies have been calculated using the future tax rate of 19%.

In the prior year, the deferred tax balances at 31 December 2018 for UK based group companies were calculated using the future tax rate of 17% which had been substantially enacted at that date.

The headline rates of corporation tax for Australia is 30% and for New Zealand is 28%. No deferred tax has been provided on trading within Germany.

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

	2019 £'000	2018 £'000
Profit/(loss) before taxation	<u>500</u>	<u>(489)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	95	(93)
Tax effect of expenses that are not deductible in determining taxable profit	50	36
Adjustments in respect of prior years	(2)	(685)
Effect of change in corporation tax rate	(45)	6
Partnership profit	5	-
Differences between UK and foreign tax rates	94	16
Depreciation in excess of capital allowances	(3)	-
Taxation charge/(credit)	<u>194</u>	<u>(720)</u>

## INTER RESTED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

#### 10 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019 £'000	2018 £'000
Deferred tax arising on:		
Revaluation of property		
- Origination and reversal of timing differences	493	(23)
- Adjustment in respect of prior periods	(297)	-
Actuarial differences recognised as other comprehensive income	-	35
Total tax recognised in other comprehensive income	196	12

#### 11 Intangible fixed assets

Group	Goodwill £'000
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	1,151
<b>Amortisation and impairment</b>	
At 1 January 2019	467
Amortisation charged for the year	105
At 31 December 2019	572
<b>Carrying amount</b>	
At 31 December 2019	579
At 31 December 2018	684

#### Company

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

-29-



# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Company	Motor vehicles
	£'000
<b>Cost or valuation</b>	
At 1 January 2019 and 31 December 2019	33
<b>Depreciation and impairment</b>	
At 1 January 2019	17
Depreciation charged in the year	10
At 31 December 2019	27
<b>Carrying amount</b>	
At 31 December 2019	6
At 31 December 2018	16

### Land included within freehold property

The carrying value of land included within freehold property held by the group is £2,900,000 (2018 - £2,900,000).

### Revalued freehold property

Freehold land and buildings have been revalued to their fair value as at 31 December 2019, as determined by the director based on market based evidence, the advice of professionally qualified valuers and recent transactions for comparable real estate, adjusted if necessary for any difference in nature, location or condition of the specific assets.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Cost	25,853	24,309	-	-
Accumulated depreciation	(101)	(96)	-	-
Carrying value	25,752	24,213	-	-

### 13 Investment property

	Group 2019 £'000	Company 2019 £'000
<b>Fair value</b>		
At 1 January 2019 and 31 December 2019	4,312	-
Foreign currency adjustments	(32)	-
At 31 December 2019	4,280	-

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Investment property

(Continued)

Investment properties have been revalued to their fair value as at 31 December 2019, as determined by the director based on market based evidence, the advice of professionally qualified valuers and recent transactions for comparable real estate, adjusted if necessary for any difference in nature, location or condition of the specific assets.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Cost	3,719	3,719	-	-
Accumulated depreciation	-	-	-	-
Carrying amount	<u>3,719</u>	<u>3,719</u>	<u>-</u>	<u>-</u>

Investment properties are held for use by third parties under operating leases.

The carrying value of land included within investment properties is £4,280,000 (2018 - £4,312,000).

### 14 Fixed asset investments

	Notes	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Investments in subsidiaries	15	-	-	9,711	9,766
Loans to subsidiaries	15	-	-	38,431	36,402
		<u>-</u>	<u>-</u>	<u>48,142</u>	<u>46,168</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

Company	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2019	9,766	36,402	46,168
Additional loans issued to subsidiaries	-	2,450	2,450
Revaluation changes through other comprehensive income	(55)	-	(55)
Loans repaid by subsidiaries	-	(421)	(421)
At 31 December 2019	9,711	38,431	48,142
<b>Carrying amount</b>			
At 31 December 2019	9,711	38,431	48,142
At 31 December 2018	9,766	36,402	46,168

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of Shares held	% Held Company	% Held Group
Broomco (4204) Limited	B	Intermediate holding company	ordinary	-	100.00
Gaelic Investments Limited Partnership	B	Property investment	(see note below)	50.00	100.00
Hawkstone Park Limited	A	Hotel and hospitality services	ordinary	-	100.00
Hellidon Lakes Limited	A	Hotel and hospitality services	ordinary	-	100.00
Hurl Nu-Way Pty Limited	D	Distribution of industrial burners, pumps, meters and blowers	ordinary	-	100.00
Inter Mediate Group Limited	A	Intermediate holding company	ordinary	100.00	100.00
Inter Mediate Three Limited	A	Non-trading	ordinary	-	100.00
Inter Mediate Two Limited	A	Intermediate holding company	ordinary	100.00	100.00
Interesting Hotels Limited	A	Intermediate holding company	ordinary	100.00	100.00
Interesting Poets House Limited	A	Hotel and hospitality services	ordinary	-	100.00
Llangoed Limited	A	Hotel and hospitality services	ordinary	-	100.00
Njack Five GmbH	C	Property investment	ordinary	-	100.00
Nu-Way Energy (N.Z.) Limited	E	Distribution of industrial burners, pumps, meters and blowers	ordinary	-	100.00
Rhianfa Limited	A	Hotel and hospitality services	ordinary	-	100.00
Sudbury House Limited	A	Hotel and hospitality services	ordinary	-	100.00
The Swan@Hay Limited	A	Hotel and hospitality services	ordinary	-	100.00

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Subsidiaries

(Continued)

Gaelic Investments Limited Partnership is considered a subsidiary of the group on the basis that the two partners of Gaelic Investments Limited Partnership are Inter Rested Limited and Broomco (4204) Limited, a subsidiary of Inter Rested Limited.

The registered offices are as follows:

- A - Sudbury House, 56 London Street, Faringdon, Oxfordshire, England, SN7 7AA
- B - C/O Deloitte LLP, Saltire Court, 20, Castle Terrace, Edinburgh, Scotland, EH1 2DB
- C - District Court Bochum, Germany, HRB 2297
- D - 14 Aristoc Road, Glen Waverley, Victoria, Australia, 3150
- E - C/O Gilligan Sheppard Limited, 4th Floor, 253 Queen Street, Auckland, New Zealand

#### Parent Company Guarantee

Inter Rested Limited, as the parent company of the group, has provided a statutory guarantee to its subsidiaries registered in England and Wales for all outstanding liabilities to which those subsidiaries are subject to at 31 December 2019. This enables them to take the exemptions from obtaining a signed statutory audit opinion under 479A of the Companies Act 2006.

The subsidiaries provided with a statutory guarantee are:

- |                                   |                           |
|-----------------------------------|---------------------------|
| • Broomco (4204) Limited          | (company number SC366909) |
| • Hawkstone Park Limited          | (company number 04359014) |
| • Hellidon Lakes Limited          | (company number 11249833) |
| • Inter Mediate Group Limited     | (company number 02323506) |
| • Inter Mediate Three Limited     | (company number 00092181) |
| • Inter Mediate Two Limited       | (company number 02458676) |
| • Interesting Hotels Limited      | (company number 08432820) |
| • Interesting Poets House Limited | (company number 04069579) |
| • Llangoed Limited                | (company number 08101288) |
| • Rhianfa Limited                 | (company number 02583701) |
| • Sudbury House Limited           | (company number 08436236) |
| • The Swan@Hay Limited            | (company number 09586509) |

### 16 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,537	832	38,431	36,402
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,961	2,068	103	69

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 Stocks

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Raw materials and consumables	221	257	-	-
Work in progress	91	118	-	-
Finished goods and goods for resale	664	641	-	-
	<u>976</u>	<u>1,016</u>	<u>-</u>	<u>-</u>

### 18 Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	1,513	727	-	-
Corporation tax recoverable	12	3	-	-
Amounts owed by group undertakings	-	(148)	-	-
Other debtors	71	259	1	-
Prepayments and accrued income	222	205	-	-
	<u>1,818</u>	<u>1,046</u>	<u>1</u>	<u>-</u>
Deferred tax asset (note 21)	-	40	-	-
	<u>1,818</u>	<u>1,086</u>	<u>1</u>	<u>-</u>
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 21)	176	212	-	1
	<u>1,994</u>	<u>1,298</u>	<u>1</u>	<u>1</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 19 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Bank loans and overdrafts	20	-	25	-	-
Payments received on account		5	210	-	-
Trade creditors		1,440	699	-	-
Amounts owed to group undertakings		-	-	-	6
Corporation tax payable		-	18	-	-
Other taxation and social security		315	347	2	2
Other creditors		610	529	10	29
Accruals and deferred income		906	605	93	34
		<u>3,276</u>	<u>2,433</u>	<u>105</u>	<u>71</u>

#### 20 Secured creditors

Bank overdrafts of £nil (2018 - £nil) are secured by way of an inter-group cross party guarantee over all group companies registered in England and Wales consisting of fixed and floating charges over all trade and assets of these companies.

#### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Group</b>				
Accelerated capital allowances	(1,991)	(1,626)	(248)	(253)
Tax losses	503	357	379	466
Other short term timing differences	2	2	45	39
	<u>(1,486)</u>	<u>(1,267)</u>	<u>176</u>	<u>252</u>
	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Company</b>				
Accelerated capital allowances	(1)	-	-	(3)
Tax losses	-	-	-	4
	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>1</u>

# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 21 Deferred taxation

(Continued)

	Group 2019 £'000	Company 2019 £'000
<b>Movements in the year:</b>		
Net liability/(asset) at 1 January 2019	1,015	(1)
Charge to profit or loss	142	2
Charge to other comprehensive income	61	-
Effect of change in tax rate - profit or loss	(44)	-
Effect of change in tax rate - other comprehensive income	136	-
Liability at 31 December 2019	<u>1,310</u>	<u>1</u>

Deferred tax assets and liabilities relating to the same country have been offset on the basis that the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to apply group relief where available, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Deferred tax assets and liabilities relating to different countries have not been offset.

All deferred tax assets and liabilities are expected to reverse out after more than one year from the balance sheet date.

### 22 Retirement benefit schemes

	2019 £'000	2018 £'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>155</u>	<u>133</u>

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.

At the year end, the group's total commitments for defined contribution pension liabilities were £23,000 (2018: £16,000).

At the year end, the company's total commitments for defined contribution pension liabilities were £nil (2018: £nil).

### 23 Share capital

	Group and company	
	2019 £'000	2018 £'000
<b>Ordinary share capital</b>		
Issued and fully paid		
80,000 ordinary of £1 each	<u>80</u>	<u>80</u>

## INTER RESTED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 24 Reserves

##### Revaluation reserve

Revaluation reserve represents all unrealised revaluation gains and losses on the freehold property and, in the individual company accounts, on the revaluation of investment in subsidiaries.

##### Profit and loss reserve

Profit and loss reserve represent cumulative retained profits and losses, and includes translation differences arising from the translation of financial statements of the group's foreign entities into pounds sterling.

##### Capital redemption reserve

Capital redemption reserve represents amounts historically transferred upon the redemption or purchase of the company's own share capital.

#### 25 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Within one year	17	6	-	-
	<u>17</u>	<u>6</u>	<u>-</u>	<u>-</u>

##### Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Within one year	250	272	-	-
Between two and five years	369	544	-	-
In over five years	737	806	-	-
	<u>1,356</u>	<u>1,622</u>	<u>-</u>	<u>-</u>



# INTER RESTED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 26 Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £'000	2018 £'000
Aggregate compensation	42	59

### 27 Cash generated from group operations

	2019 £'000	2018 £'000
Profit for the year after tax	306	231
Adjustments for:		
Taxation charged/(credited)	194	(720)
Finance costs	28	5
Investment income	(312)	(286)
Gain on disposal of tangible fixed assets	(16)	-
Amortisation and impairment of intangible assets	105	104
Depreciation and impairment of tangible fixed assets	683	698
Movements in working capital:		
Decrease/(increase) in stocks	40	(48)
(Increase)/decrease in debtors	(752)	483
Increase in creditors	875	270
<b>Cash generated from operations</b>	<b>1,151</b>	<b>738</b>

### 28 Analysis of changes in net debt

	2019 £'000
<b>Opening net funds</b>	
Cash and cash equivalents	32,145
<b>Changes in net debt arising from:</b>	
Cash flows of the entity	(1,082)
Changes in market value and exchange rates	(12)
<b>Closing net funds as analysed below</b>	<b>31,051</b>
<b>Closing net funds</b>	
Cash and cash equivalents	31,051