

Company Registration No. 03666295 (England and Wales)

INTER RESTED LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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INTER RESTED LIMITED

COMPANY INFORMATION

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

INTER RESTED LIMITED

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INTER RESTED LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents the strategic report for the year ended 31 December 2022.

Business review

As concerns over the Omicron variant started to ease in early 2022, business activity showed consistent improvement which resulted in a strong financial performance overall. This was driven in part by the gradual return of corporate customers, together with a strong increase in leisure based activity.

The business faced some significant challenges in managing inflationary costs, particularly in the areas of utilities and food/beverage which despite careful and effective cost control has resulted in an increase in our cost base. In addition to this the continued impact of staff shortages across the UK required careful operational planning.

During the year we continued our programme of capital investments aimed at enhancing the guest experience which involved minor work at most locations and major work extending and refurbishment of the spa at Hellidon Lakes Hotel alongside a complete refurbishment of much of the bedroom stock and public areas. Work also commenced on the rebuilding of Lyle Cottage at Hawkstone park.

We are beginning to see some of the benefits of scale and diversity flowing from the group operating systems. Our search for acquisitions continues and whilst there still remains a shortage of suitable properties we completed the acquisition of Riverside Hotel Kendal which was identified at the end of 2022.

Our overseas businesses continued to be impacted by increased uncertainty over the Omicron variant and the resultant impact on the confidence of the economy was reflected in the year's financial performance. In addition high inflationary conditions eroded margins as costs of transporting products and materials increased significantly. However an overall positive contribution to the group's profitability was delivered.

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 high inflationary pressures across many suppliers and the surge in utilities costs will result in extreme pressure on the bottom line, the group continue to mitigate this risk by working with suppliers and driving efficiencies within the hotels.

The current economic conditions may impact the availability of spending for both our corporate and leisure's customers, serving as a threat for growth as we progress through 2023.

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.

INTER RESTED LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Liquidity risk

At the year end, cash balances totalled £34.7m (2021: £33.6m). 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 pays 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.

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.

| | 2022 | 2021 |
|--|--------|--------|
| - Sales increase/(reduction) | 15.73% | 60.46% |
| - Operating profit/(loss) as a percentage of sales | 10.82% | 19.64% |
| - Return on capital employed | 6.45% | 9.25% |

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

4th August 2023

INTER RESTED LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his annual report and financial statements for the year ended 31 December 2022.

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.

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 8.

No ordinary dividends were paid (2021 - no ordinary dividends were paid). The director does not recommend payment of a dividend.

Future developments

The group's operations, primarily in the hospitality sector, are continuing.

Greenhouse gas emissions reporting

No disclosures of greenhouse gas emissions, energy consumption and energy efficiency have been made because consumption by each component entity within the group does not individually exceed 40,000 kWh per annum and are not individually large companies.

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.

INTER RESTED LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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: 4th August 2023

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 2022 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 2022 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

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's and 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.

Other information

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

INTER RESTED LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTER RESTED LIMITED

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or operations of the company and group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

INTER RESTED LIMITED

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

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual transactions or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

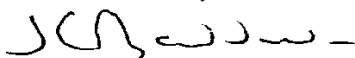
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 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.

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

Date: 30/8/2023

**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 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|--|-----------|---------------|---------------|
| Turnover | 3 | 18,487 | 15,974 |
| Cost of sales | | (6,054) | (4,834) |
| Gross profit | | 12,433 | 11,140 |
| Administrative expenses | | (10,693) | (9,295) |
| Other operating income | | 261 | 1,293 |
| Operating profit | 4 | 2,001 | 3,138 |
| Interest receivable and similar income | 8 | 116 | 16 |
| Interest payable and similar expenses | 9 | (8) | (11) |
| Profit before taxation | | 2,109 | 3,143 |
| Tax on profit | 10 | (398) | (722) |
| Profit for the financial year | 24 | 1,711 | 2,421 |

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 2022**

| | Notes | 2022 £'000 | 2021 £'000 |
|---|--------------|-----------------------------|-----------------------------|
| Profit for the year | | 1,711 | 2,421 |
| | | <u> </u> | <u> </u> |
| Other comprehensive income | | | |
| Revaluation of tangible fixed assets | | 300 | 44 |
| Currency translation gain/(loss) taken to retained earnings | | 158 | (197) |
| Tax relating to other comprehensive income | 10 | (76) | (553) |
| | | <u> </u> | <u> </u> |
| Other comprehensive income for the year | | 382 | (706) |
| | | <u> </u> | <u> </u> |
| Total comprehensive income for the year | | 2,093 | 1,715 |
| | | <u> </u> | <u> </u> |

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 2022

| | | 2022 | 2021 |
|---|-------|----------------|----------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Goodwill | 11 | 287 | 369 |
| Tangible assets | 12 | 44,110 | 42,326 |
| Investment properties | 13 | 2,336 | 4,256 |
| | | <u>46,733</u> | <u>46,951</u> |
| Current assets | | | |
| Stocks | 17 | 1,503 | 1,116 |
| Debtors | 18 | 2,308 | 1,059 |
| Cash at bank and in hand | | 34,664 | 33,600 |
| | | <u>38,475</u> | <u>35,775</u> |
| Creditors: amounts falling due within one year | 19 | <u>(2,880)</u> | <u>(2,898)</u> |
| Net current assets | | <u>35,595</u> | <u>32,877</u> |
| Total assets less current liabilities | | <u>82,328</u> | <u>79,828</u> |
| Provisions for liabilities | 21 | <u>(2,842)</u> | <u>(2,435)</u> |
| Net assets | | <u>79,486</u> | <u>77,393</u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 80 | 80 |
| Revaluation reserve | 24 | 8,987 | 8,763 |
| Capital redemption reserve | 24 | 20 | 20 |
| Profit and loss reserves | 24 | 70,399 | 68,530 |
| Total equity | | <u>79,486</u> | <u>77,393</u> |

The financial statements were approved and signed by the director and authorised for issue on 4/8/2023


 Roger Hancox
 Director

INTER RESTED LIMITED

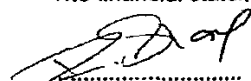
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 12 | - | 6 |
| Investments | 14 | 47,562 | 47,113 |
| | | <u>47,562</u> | <u>47,119</u> |
| Current assets | | | |
| Debtors | 18 | 5 | - |
| Cash at bank and in hand | | 32,411 | 30,347 |
| | | <u>32,416</u> | <u>30,347</u> |
| Creditors: amounts falling due within one year | 19 | (91) | (98) |
| Net current assets | | <u>32,325</u> | <u>30,249</u> |
| Total assets less current liabilities | | <u>79,887</u> | <u>77,368</u> |
| Provisions for liabilities | | | |
| Deferred tax liability | 21 | - | (2) |
| | | <u>-</u> | <u>(2)</u> |
| Net assets | | <u>79,887</u> | <u>77,366</u> |
| Capital and reserves | | | |
| Called up share capital | 23 | 80 | 80 |
| Revaluation reserve | 24 | 11,241 | 9,243 |
| Capital redemption reserve | 24 | 20 | 20 |
| Profit and loss reserves | 24 | 68,546 | 68,023 |
| Total equity | | <u>79,887</u> | <u>77,366</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 £523,000 (2021 - £31,000 loss).

The financial statements were approved and signed by the director and authorised for issue on 4/8/2023



Roger Hancox
Director

Company Registration No. 03666295

INTER RESTED LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Revaluation reserve | Capital redemption reserve | Profit and loss reserves | Total |
|--|---------------|---------------------|----------------------------|--------------------------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 January 2021 | 80 | 9,272 | 20 | 66,306 | 75,678 |
| Year ended 31 December 2021: | | | | | |
| Profit for the year | - | - | - | 2,421 | 2,421 |
| Other comprehensive income: | | | | | |
| Revaluation of tangible fixed assets | - | 44 | - | - | 44 |
| Currency translation differences | - | - | - | (197) | (197) |
| Tax relating to other comprehensive income | - | (553) | - | - | (553) |
| Total comprehensive income for the year | - | (509) | - | 2,224 | 1,715 |
| Balance at 31 December 2021 | 80 | 8,763 | 20 | 68,530 | 77,393 |
| Year ended 31 December 2022: | | | | | |
| Profit for the year | - | - | - | 1,711 | 1,711 |
| Other comprehensive income: | | | | | |
| Revaluation of tangible fixed assets | - | 300 | - | - | 300 |
| Currency translation differences | - | - | - | 158 | 158 |
| Tax relating to other comprehensive income | - | (76) | - | - | (76) |
| Total comprehensive income for the year | - | 224 | - | 1,869 | 2,093 |
| Balance at 31 December 2022 | 80 | 8,987 | 20 | 70,399 | 79,486 |

INTER RESTED LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Revaluation reserve | Capital redemption reserve | Profit and loss reserves | Total |
|--|---------------|---------------------|----------------------------|--------------------------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 January 2021 | 80 | 7,526 | 20 | 68,054 | 75,680 |
| Year ended 31 December 2021: | | | | | |
| Loss for the year | - | - | - | (31) | (31) |
| Other comprehensive income: | | | | | |
| Revaluation of investments in subsidiaries | - | 1,717 | - | - | 1,717 |
| Total comprehensive income for the year | - | 1,717 | - | (31) | 1,686 |
| Balance at 31 December 2021 | 80 | 9,243 | 20 | 68,023 | 77,366 |
| Year ended 31 December 2022: | | | | | |
| Profit for the year | - | - | - | 523 | 523 |
| Other comprehensive income: | | | | | |
| Revaluation of Investments in subsidiaries | - | 1,998 | - | - | 1,998 |
| Total comprehensive income for the year | - | 1,998 | - | 523 | 2,521 |
| Balance at 31 December 2022 | 80 | 11,241 | 20 | 68,546 | 79,887 |

INTER RESTED LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | 2022 | | 2021 | |
|---|-------|---------|---------------|---------|----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 27 | | 1,122 | | 4,347 |
| Interest paid | | | (8) | | (11) |
| Income taxes paid | | | (46) | | (117) |
| Net cash inflow from operating activities | | | 1,068 | | 4,219 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (2,193) | | (1,108) | |
| Proceeds from disposal of tangible fixed assets | | 78 | | - | |
| Proceeds from disposal of investment property | | 1,953 | | - | |
| Interest received | | 116 | | 16 | |
| Net cash used in investing activities | | | (46) | | (1,092) |
| Net increase in cash and cash equivalents | | | 1,022 | | 3,127 |
| Cash and cash equivalents at beginning of year | | | 33,599 | | 30,544 |
| Effect of foreign exchange rates | | | - | | (72) |
| Cash and cash equivalents at end of year | | | 34,621 | | 33,599 |
| Relating to: | | | | | |
| Cash at bank and in hand | 28 | | 34,664 | | 33,600 |
| Bank overdrafts included in creditors payable within one year | 28 | | (43) | | (1) |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Inter Rested Limited ("the company") is a private company limited by shares 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 group financial statements consist of the financial statements of the parent company Inter Rested 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 31 December 2022. 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 2022

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

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 2022

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|----------|--------|
| Software | 1 year |
|----------|--------|

1.7 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 |
| Plant and equipment | 1 - 10 years straight line |
| Fixtures and fittings | 2 - 10 years straight line |
| Classic cars | not depreciated |
| Motor vehicles | 4 - 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.

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

The directors consider that the freehold hotels are maintained to such a high standard that their residual value is at least equal to their net book value and as such they are not being depreciated.

1.8 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 2022

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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 cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost of stocks is determined using the first-in-first-out basis.

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

1.12 Cash at bank and in hand

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.

1.13 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.

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.

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

1.14 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.

1.15 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 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.

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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. 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.

1.16 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.

1.17 Retirement benefits

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

1.18 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.

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.

1.19 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 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 in the period are included in profit or loss.

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Turnover analysed by class of business | | |
| Hotels and hospitality services | 14,615 | 12,500 |
| Distribution of industrial burners, pumps, meters and blowers | 3,872 | 3,474 |
| | <u>18,487</u> | <u>15,974</u> |
| | 2022 £'000 | 2021 £'000 |
| Turnover analysed by geographical market | | |
| United Kingdom | 14,615 | 12,500 |
| Rest of the world | 3,872 | 3,474 |
| | <u>18,487</u> | <u>15,974</u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

| 3 Turnover and other revenue | (Continued) | |
|--|-------------------|-------------------|
| | 2022 £'000 | 2021 £'000 |
| <i>Other revenue</i> | | |
| Interest income | 116 | 16 |
| Grants received | 27 | 991 |
| Rental income arising from investment properties | 234 | 291 |
| | <u> </u> | <u> </u> |
| Grants received consist of: | | |
| • £nil (2021: £743,000) claimed under the UK government's Coronavirus Job Retention Scheme. | | |
| • £27,000 (2021: £222,000) Covid-19 Business Grants received from UK local councils by certain subsidiary undertakings. | | |
| • £nil (2021: £26,000) received by foreign subsidiaries in respect of foreign government support for businesses affected by the Covid-19 pandemic. | | |
| 4 Operating profit | | |
| | 2022 £'000 | 2021 £'000 |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange (gains)/losses | (11) | 17 |
| Government grants | (27) | (991) |
| Depreciation of owned tangible fixed assets | 773 | 742 |
| Profit on disposal of tangible fixed assets | (18) | - |
| Amortisation of intangible assets | 82 | 108 |
| Operating lease charges | 11 | 11 |
| | <u> </u> | <u> </u> |
| 5 Auditor's remuneration | | |
| | 2022 £'000 | 2021 £'000 |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 19 | 18 |
| | <u> </u> | <u> </u> |
| For other services | | |
| All other non-audit services | 15 | 14 |
| | <u> </u> | <u> </u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

| | Group 2022 Number | 2021 Number | Company 2022 Number | 2021 Number |
|--|-------------------------|----------------|---------------------------|----------------|
| Sales, administration and distribution | 383 | 317 | 4 | 3 |
| Manufacturing | 4 | 4 | - | - |
| Total | 387 | 321 | 4 | 3 |

Their aggregate remuneration comprised:

| | Group 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|-----------------------|------------------------|---------------|--------------------------|---------------|
| Wages and salaries | 6,415 | 5,581 | 72 | 71 |
| Social security costs | 384 | 291 | 5 | 2 |
| Pension costs | 169 | 137 | 1 | 1 |
| | 6,968 | 6,009 | 78 | 74 |

7 Director's remuneration

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|---------------|---------------|
| Remuneration for qualifying services | 9 | 9 |

8 Interest receivable and similar income

| | 2022 £'000 | 2021 £'000 |
|---------------------------|---------------|---------------|
| Interest income | | |
| Interest on bank deposits | 116 | 18 |

9 Interest payable and similar expenses

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------|---------------|---------------|
| Interest on bank overdrafts and loans | 8 | 11 |

10 Taxation

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Current tax | | |
| Foreign current tax on profits for the current period | 58 | 66 |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Deferred tax | | |
| Origination and reversal of timing differences | 337 | 593 |
| Changes in tax rates | 100 | 46 |
| Adjustment in respect of prior periods | (97) | 17 |
| | <u>340</u> | <u>656</u> |
| Total deferred tax | <u>340</u> | <u>656</u> |
| Total tax charge | <u>398</u> | <u>722</u> |

The headline rates of corporation tax for Australia is 25% (2021: 25%) and for New Zealand is 28% (2021: 28%). No deferred tax has been provided on trading within Germany.

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:

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Profit before taxation | <u>2,109</u> | <u>3,143</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 401 | 597 |
| Tax effect of expenses that are not deductible in determining taxable profit | 6 | 20 |
| Tax effect of income not taxable in determining taxable profit | (38) | (9) |
| Adjustments in respect of prior years | (98) | 17 |
| Effect of change in corporation tax rate | 100 | 47 |
| Group relief | 27 | - |
| Deferred tax adjustments in respect of prior years | 6 | - |
| Partnership profit | (5) | 7 |
| Differences between UK and foreign tax rates | (1) | 43 |
| | <u>398</u> | <u>722</u> |
| Taxation charge | <u>398</u> | <u>722</u> |

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:

| | 2022 £'000 | 2021 £'000 |
|---------------------------------|---------------|---------------|
| Deferred tax arising on: | | |
| Revaluation of property | <u>76</u> | <u>553</u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

| Group | Goodwill | Software | Total |
|--|-----------------|-----------------|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2022 and 31 December 2022 | 1,151 | 3 | 1,154 |
| Amortisation and impairment | | | |
| At 1 January 2022 | 782 | 3 | 785 |
| Amortisation charged for the year | 82 | - | 82 |
| At 31 December 2022 | 864 | 3 | 867 |
| Carrying amount | | | |
| At 31 December 2022 | 287 | - | 287 |
| At 31 December 2021 | 369 | - | 369 |

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

| Company | Motor vehicles £'000 |
|------------------------------------|-------------------------|
| Cost or valuation | |
| At 1 January 2022 | 33 |
| Disposals | (33) |
| At 31 December 2022 | - |
| Depreciation and impairment | |
| At 1 January 2022 | 27 |
| Eliminated in respect of disposals | (27) |
| At 31 December 2022 | - |
| Carrying amount | |
| At 31 December 2022 | - |
| At 31 December 2021 | 6 |

Land included within freehold property.

The carrying value of land included within freehold property held by the group is £1,311,000 (2021: £827,000).

Revalued freehold property

Freehold land and buildings have been revalued to their fair value as at 31 December 2022, 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 historic cost basis rather than a fair value basis, the total amounts included would have been as follows:

| | Group 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|--------------------------|------------------------|---------------|--------------------------|---------------|
| Cost | 28,186 | 26,757 | - | - |
| Accumulated depreciation | (116) | (111) | - | - |
| Carrying value | 28,070 | 26,646 | - | - |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Investment property

| | Group 2022 £'000 | Company 2022 £'000 |
|--|------------------------|--------------------------|
| Fair value | | |
| At 1 January 2022 and 31 December 2022 | 4,256 | - |
| Disposals | (1,953) | - |
| Foreign currency adjustments | 33 | - |
| At 31 December 2022 | <u>2,336</u> | <u>-</u> |

Investment properties have been revalued to their fair value as at 31 December 2022, 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 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|--------------------------|------------------------|---------------|--------------------------|---------------|
| Cost | 1,766 | 3,719 | - | - |
| Accumulated depreciation | - | - | - | - |
| Carrying amount | <u>1,766</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 £2,336,000 (2021 - £4,256,000).

14 Fixed asset investments

| | Notes | Group 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|-----------------------------|-------|------------------------|---------------|--------------------------|---------------|
| Investments in subsidiaries | 15 | - | - | 12,356 | 10,357 |
| Loans to subsidiaries | 15 | - | - | 35,206 | 36,756 |
| | | <u>-</u> | <u>-</u> | <u>47,562</u> | <u>47,113</u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments

(Continued)

Movements in fixed asset investments

| Company | Shares in group undertakings £'000 | Loans to group undertakings £'000 | Total £'000 |
|--|---|--|----------------|
| Cost or valuation | | | |
| At 1 January 2022 | 10,357 | 36,756 | 47,113 |
| Revaluation changes through other comprehensive income | 1,999 | 850 | 2,849 |
| Loans repaid by subsidiaries | - | (2,400) | (2,400) |
| At 31 December 2022 | 12,356 | 35,206 | 47,562 |
| Carrying amount | | | |
| At 31 December 2022 | 12,356 | 35,206 | 47,562 |
| At 31 December 2021 | 10,357 | 36,756 | 47,113 |

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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 Property Limited | A | Intermediate holding company | ordinary | 100.00 | 100.00 |
| A N Other Interesting Hotel Limited | A | Non-trading | ordinary | - | 100.00 |
| Inter Mediate Group 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 2022

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 2022. 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) |
| • Helliott Lakes Limited | (company number 11249833) |
| • Inter Mediate Property Limited | (company number 02323506) |
| • A N Other Interesting Hotel Limited | (company number 00092181) |
| • Inter Mediate Group 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 | |
|---|-------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Carrying amount of financial assets | | | | |
| Instruments measured at fair value through profit or loss | 2,336 | 4,256 | - | - |

17 Stocks

| | Group | | Company | |
|-------------------------------------|-------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Raw materials and consumables | 238 | 183 | - | - |
| Work in progress | 259 | 77 | - | - |
| Finished goods and goods for resale | 1,006 | 856 | - | - |
| | 1,503 | 1,116 | - | - |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Debtors

| | Group | 2021 | Company | 2021 |
|---|--------------|--------------|----------|----------|
| | 2022 | | 2022 | |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year: | | | | |
| Trade debtors | 1,069 | 703 | - | - |
| Other debtors | 916 | 58 | 5 | - |
| Prepayments and accrued income | 232 | 186 | - | - |
| | <u>2,217</u> | <u>947</u> | <u>5</u> | <u>-</u> |
| Deferred tax asset (note 21) | 91 | 112 | - | - |
| | <u>2,308</u> | <u>1,059</u> | <u>5</u> | <u>-</u> |

19 Creditors: amounts falling due within one year

| | | Group | 2021 | Company | 2021 |
|------------------------------------|-------|--------------|--------------|-----------|-----------|
| | | 2022 | | 2022 | |
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Bank loans and overdrafts | 20 | 43 | 1 | - | - |
| Payments received on account | | 233 | 212 | - | - |
| Trade creditors | | 610 | 525 | - | - |
| Corporation tax payable | | 12 | 12 | - | - |
| Other taxation and social security | | 386 | 205 | 2 | 1 |
| Other creditors | | 465 | 743 | 6 | 2 |
| Accruals and deferred income | | 1,131 | 1,200 | 83 | 95 |
| | | <u>2,880</u> | <u>2,898</u> | <u>91</u> | <u>98</u> |

20 Secured creditors

Bank overdrafts of £nil (2021 - £1,000) 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.

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Deferred taxation

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

| | Liabilities 2022 £'000 | Liabilities 2021 £'000 | Assets 2022 £'000 | Assets 2021 £'000 |
|-------------------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| Group | | | | |
| Accelerated capital allowances | 565 | 252 | (327) | (237) |
| Tax losses | (148) | (238) | 390 | 318 |
| Revaluations | (2,124) | 2,424 | - | - |
| Other short term timing differences | (5) | (3) | 28 | 31 |
| Investments | 4,554 | - | - | - |
| | <u>2,842</u> | <u>2,435</u> | <u>91</u> | <u>112</u> |

| | Liabilities 2022 £'000 | Liabilities 2021 £'000 | Assets 2022 £'000 | Assets 2021 £'000 |
|--------------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| Company | | | | |
| Accelerated capital allowances | - | 2 | - | - |
| | <u>-</u> | <u>2</u> | <u>-</u> | <u>-</u> |

| | Group 2022 £'000 | Company 2022 £'000 |
|---|------------------------|--------------------------|
| Movements in the year: | | |
| Liability at 1 January 2022 | 2,323 | 2 |
| Charge/(credit) to profit or loss | 413 | (1) |
| Credit to other comprehensive income | (68) | - |
| Effect of change in tax rate - profit or loss | 83 | (1) |
| | <u>2,751</u> | <u>-</u> |
| Liability at 31 December 2022 | <u>2,751</u> | <u>-</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

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>169</u> | <u>137</u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Retirement benefit schemes

(Continued)

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 £28,000 (2021: £25,000).

At the year end, the company's total commitments for defined contribution pension liabilities were £1,000 (2021: £nil).

23 Share capital

| Group and company | 2022 | 2021 | 2022 | 2021 |
|----------------------------|--------|--------|-------|-------|
| Ordinary share capital | Number | Number | £'000 | £'000 |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 80,000 | 80,000 | 80 | 80 |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|----------------------------|------------------------|---------------|--------------------------|---------------|
| Within one year | 13 | 16 | - | - |
| Between two and five years | 19 | - | - | - |
| | <u>32</u> | <u>16</u> | <u>-</u> | <u>-</u> |

Lessor

The group owns 1 investment properties for rental purposes. Rental income earned during the year was £234,311 (2021: £291,000). Lease terms is 5 years.

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

| | Group 2022 £'000 | 2021 £'000 | Company 2022 £'000 | 2021 £'000 |
|----------------------------|------------------------|---------------|--------------------------|---------------|
| Within one year | 159 | 234 | - | - |
| Between two and five years | 385 | 824 | - | - |
| In over five years | - | 599 | - | - |
| | <u>544</u> | <u>1,657</u> | <u>-</u> | <u>-</u> |

INTER RESTED LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

26 Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2022 £'000 | 2021 £'000 |
|------------------------|---------------|---------------|
| Aggregate compensation | 65 | 43 |

27 Cash generated from group operations

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Profit for the year after tax | 1,711 | 2,421 |
| Adjustments for: | | |
| Taxation charged | 398 | 722 |
| Finance costs | 8 | 11 |
| Investment income | (116) | (16) |
| Gain on disposal of tangible fixed assets | (18) | - |
| Amortisation and impairment of intangible assets | 82 | 108 |
| Depreciation and impairment of tangible fixed assets | 773 | 742 |
| Movements in working capital: | | |
| (Increase)/decrease in stocks | (387) | 18 |
| Increase in debtors | (1,250) | (440) |
| (Decrease)/increase in creditors | (79) | 781 |
| Cash generated from operations | 1,122 | 4,347 |

28 Analysis of changes in net funds - group

| | 1 January 2022 £'000 | Cash flows £'000 | 31 December 2022 £'000 |
|--------------------------|----------------------------|---------------------|------------------------------|
| Cash at bank and in hand | 33,600 | 1,064 | 34,664 |
| Bank overdrafts | (1) | (42) | (43) |
| | 33,599 | 1,022 | 34,621 |