

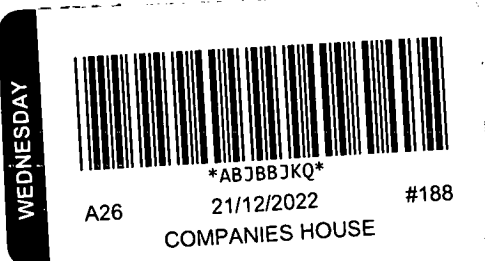
INSPIREDSPACES ROCHDALE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021



INSPIREDSPACES ROCHDALE LIMITED
REGISTERED NUMBER: 07017267

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	8	2	2
		<u>2</u>	<u>2</u>
Non current assets			
Debtors due after more than 1 year	9	1,031	925
Current assets			
Debtors: amounts falling due within one year	9	-	67
Cash at bank and in hand		316	350
		<u>316</u>	<u>417</u>
Creditors: amounts falling due within one year	10	(512)	(607)
Net current liabilities		<u>(196)</u>	<u>(190)</u>
Total assets less current liabilities		<u>837</u>	<u>737</u>
Creditors: amounts falling due after more than one year	11	(747)	(596)
Provisions for liabilities			
Other provisions		(55)	(79)
		<u>(55)</u>	<u>(79)</u>
Net assets		<u>35</u>	<u>62</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		33	60
		<u>35</u>	<u>62</u>

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

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

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

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

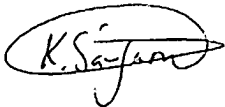
INSPIREDSPACES ROCHDALE LIMITED
REGISTERED NUMBER: 07017267

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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

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

12 December 2022



K Savjani
Director

The notes on pages 3 to 9 form part of these financial statements.

INSPIREDSPACES ROCHDALE LIMITED

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

1. General information

Inspiredspaces Rochdale Limited (the "Company") is a company limited by shares and registered in England and Wales. The registered number is 07017267 the registered address is 3 More London Riverside, London, SE1 2AQ.

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company historically existed to deliver various services under a strategic partnership agreement with Rochdale Borough Council, including delivery of education infrastructure, ICT services and facilities management services. The only remaining activity of the company is ongoing management of defect claims arising from contracts to design and build certain schools for which the company has liability following the liquidation of the construction contractor. The amount of any future claims is uncertain and following the restructuring described above the company has no further sources of income. There is therefore a risk that in the future the company will have insufficient resources to cover the claims arising.

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

2.3 Revenue

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

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

INSPIREDSPACES ROCHDALE LIMITED

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

2. Accounting policies (continued)

2.6 Taxation

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

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

2.7 Valuation of investments

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

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

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

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

INSPIREDSPACES ROCHDALE LIMITED

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

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

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

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

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

4. Auditors' remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	5
	<u> </u>	<u> </u>

5. Employees

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

The directors have no contract of service with the company. Amounts paid in respect of directors' services were £nil (2020: £nil).

6. Interest receivable

	2021	2020
	£000	£000
Other interest receivable	99	114
	<u> </u>	<u> </u>
	<u>99</u>	<u>114</u>

INSPIREDSPACES ROCHDALE LIMITED

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

7. Interest payable and similar expenses

	2021 £000	2020 £000
Other loan interest payable	99	113
	<u>99</u>	<u>113</u>

8. Fixed asset investments

	Investments in participating interests £000
Cost or valuation	
At 1 January 2021	2
At 31 December 2021	<u>2</u>

Participating interests

Investments in participating interests represent 10% holdings in the equity share capital of Inspiredspaces Rochdale (Holdings1) Limited and Inspiredspaces Rochdale (Holdings2) Limited, both registered in England. The principal activities of these companies are the design, build and operation of schools in the Rochdale area.

INSPIREDSPACES ROCHDALE LIMITED

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

9. Debtors

	2021	2020
	£000	£000
Due after more than one year		
Due from participating interests	646	647
Prepayments and accrued income	385	278
	<u>1,031</u>	<u>925</u>
	2021	2020
	£000	£000
Due within one year		
Trade debtors	-	65
Other debtors	-	2
	<u>-</u>	<u>67</u>

Included in amounts due from participating interests (note 6) were unsecured loans as follows;

£269,000 due from Inspiredspaces Rochdale (Holdings1) Limited repayable in 6 monthly installments, the final repayment falling due on 31 March 2038. Interest is charged at 11.55%.

£377,000 due from Inspiredspaces Rochdale (Holdings2) Limited repayable in 6 monthly installments, the final repayment falling due on 31 March 2036. Interest is charged at 11%.

Amounts due from participating interests and accrued interest receivable are presented as due after more than one year due to Inspiredspaces Rochdale (Holdings1) Limited and Inspiredspaces Rochdale (Holdings2) Limited being in lock-up.

10. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	-	48
Amounts owed to group undertakings	-	51
Corporation tax	-	2
Other taxation and social security	2	-
Other creditors	114	118
Accruals and deferred income	396	388
	<u>512</u>	<u>607</u>

INSPIREDSPACES ROCHDALE LIMITED

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

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

	2021 £000	2020 £000
Amounts owed to group undertakings	646	596
Other creditors	101	-
	<u>747</u>	<u>596</u>

Included in creditors (notes 8) were unsecured loans from shareholders (in proportion to their shareholdings) as follows;

£269,000 repayable in 6 monthly installments, the final repayment falling due on 31 March 2038. Interest is charged at 11.55%.

£377,000 repayable in 6 monthly installments, the final repayment falling due on 31 March 2036. Interest is charged at 11%.

12. Provisions for liabilities

A provision has been recognised in respect of the cost of settling defect claims arising from a number of school design and build schemes delivered in previous years. The construction contractor who undertook these projects entered into liquidation and as a result any liability for defects arising as a result of those design and build contracts now rests with the company. The directors have made provision for their best estimate of the costs of known claims. During the year a transfer was made from accruals to re-classify the defect provision within provisions for liabilities.

13. Contingent liabilities

The company was responsible for procuring the delivery of certain design and build school projects over a number of years. The construction contractor who undertook these projects entered into liquidation and as a result any liability for defects arising as a result of those design and build contracts now rests with the company. The directors have made provision for their best estimate of the costs of known claims, however it is possible that future claims will be received for which provision will be required. The period during which defect claims could be made runs until 2025.

INSPIREDSAPES ROCHDALE LIMITED

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

14. Related party transactions

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

Interest payable of £10,000 (2020: £11,000) in respect of construction, ICT and administration services, provided by Rochdale Borough Council, a related party by virtue of its interest in the Company. As at 31 December 2021, £39,000 (2020: £28,000) was owed to Rochdale Borough Council in relation to these services.

Interest payable of £10,000 (2020: £11,000) to Building Schools for the Future Investments LLP ("BSF"), a related party by virtue of its interest in the Company. As at 31 December 2021 £39,000 (2020: £28,000) was owed to BSF in relation to these services.

Interest payable of £79,000 (2020: £91,000) from Inspiredspaces Rochdale (PSP1) Limited, a related party by virtue of its interest in the company. As at 31 December 2021, £307,000 (2020: £222,000) was owed to Inspiredspaces Rochdale (PSP1) Limited.

During the year interest of £nil (2020 - £31,000) were received from Inspiredspaces Rochdale (Holdings1) Limited, a related party by virtue of the Company's previous shareholding in it. As at 31 December 2021 amounts due from Inspiredspaces Rochdale (Holdings1) Limited were £166,000 (2020 - £101,000).

During the year interest of £nil (2020 - £83,000) were received from Inspiredspaces Rochdale (Holdings2) Limited, a related party by virtue of the Company's previous shareholding in it. As at 31 December 2021 amounts due from Inspiredspaces Rochdale (Holdings2) Limited were £219,000 (2020 - £176,000).

15. Controlling party

As at 31 December 2021, 80% of the share capital of the Company was held by inspiredspaces Rochdale (PSP1) Limited, 10% by Rochdale Borough Council and 10% by Dalmore Managed Fund. Under the terms of a shareholders' agreement, no individual shareholder is able to control or exert significant influence over the Company and therefore, in the directors' opinion, there is no ultimate controlling party.

16. Credit note provisions

During the year, credit notes were raised against the sales and purchase invoices for Carillion Private Finance Ltd, a company that has gone into liquidation. As a result the turnover has a debit balance of £76k and cost of sales have a credit balance of £39k.