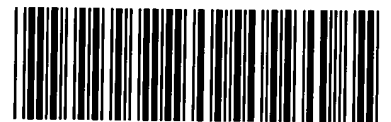


**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2021
for
Inspiredspaces Wolverhampton
(Projectco2) Limited**

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Inspiredspaces Wolverhampton (Projectco2) Limited

**Contents of the Financial Statements
for the year ended 31 December 2021**

	Page
Company Information	1
Directors' Report	2 to 3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 17

Inspiredspaces Wolverhampton (Projectco2) Limited

Company Information
for the year ended 31 December 2021

DIRECTORS:

K Savjani
W Lewis
J Marsh
D Ward

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

08649413 (England and Wales)

AUDITOR:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Directors' Report
for the year ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The principal activities of the company are the design, redevelopment, financing and operation of two schools and associated services under the Government's Building Schools for the Future scheme for a period of twenty six years pursuant to and in accordance with the terms of an agreement with the Wolverhampton Metropolitan Borough Council. This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 13 January 2014. Construction of the schools commenced in January 2014 and was completed in August 2015. Post completion works were completed in October 2016.

REVIEW OF BUSINESS

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

The statement of comprehensive income set out on page 8 shows a profit for the financial year of £341,000 (2020: £229,000).

DIVIDENDS

An interim dividend of £213,000 (2020: £936,000) was declared and paid during the year. No further dividend is recommended.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to cash flow management, facility management compliance and review of the insurance cover and lifecycle profile. The company is exposed to inflation risk as some of its operational costs are RPI linked. This risk is mitigated as an element of the company's availability income is also linked to RPI. The board formally reviews risks and appropriate processes are put in place to mitigate them.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of COVID-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period and to operate within the covenants on its external borrowings.

Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Company would lead to service failure points being awarded against the Company in accordance with the terms of the Company's contract with the local authority sufficient to cause an event of default under the terms of the Company's external borrowings. To date, taking into account the effect of COVID-19 and there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Company will be able to meet its liabilities as they fall due.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Inspiredspaces Wolverhampton (Projectco2) Limited
(Registered number: 08649413)

Directors' Report
for the year ended 31 December 2021

FUTURE DEVELOPMENTS

The directors continue to develop the business in line with the contract.

DIRECTORS

The directors shown below have held office during the period from 1 January 2021 to the date of this report, unless otherwise indicated.

M Gregory – Resigned 15 April 2021
D Ward
K Savjani
J Marsh
W Lewis – Appointed 15 April 2021

DIRECTORS' INDEMNITIES

The company has made qualifying third-party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which would require disclosure or adjustment to these statements.

ON BEHALF OF THE BOARD:



J Marsh - Director

Date: 20/05/2022

Inspiredspaces Wolverhampton (Projectco2) Limited

**Directors' Responsibilities Statement
for the year ended 31 December 2021**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Inspiredspaces Wolverhampton (Projectco2) Limited

Opinion

We have audited the financial statements of Inspiredspaces Wolverhampton (Projectco2) Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any usual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the existence of limited incentives and opportunities to make inappropriate accounting entries in relation to revenue.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified health and safety as the most likely area to have such an effect, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the

Independent Auditor's Report to the Members of Inspiredspaces Wolverhampton (Projectco2) Limited (continued)

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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



John Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 27 May 2022

Inspiredspaces Wolverhampton (Projectco2) Limited

**Statement of Comprehensive Income
for the year ended 31 December 2021**

	Notes	2021 £'000	2020 £'000
TURNOVER	2	2,064	1,436
Cost of sales		<u>(1,814)</u>	<u>(1,284)</u>
GROSS PROFIT		250	152
Administrative expenses		<u>(25)</u>	<u>(23)</u>
OPERATING PROFIT		225	129
Interest receivable and similar income	4	2,765	2,830
Interest payable and similar expenses	5	<u>(2,569)</u>	<u>(2,676)</u>
PROFIT BEFORE TAXATION	6	421	283
Tax on profit	7	<u>(80)</u>	<u>(54)</u>
PROFIT FOR THE FINANCIAL YEAR		341	229
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>341</u></u>	<u><u>229</u></u>

The notes form part of these financial statements

Inspiredspaces Wolverhampton (Projectco2) Limited

**Statement of Financial Position
31 December 2021**

	Notes	2021 £'000	2020 £'000
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	1,746	1,520
Debtors: amounts falling due after more than one year	9	39,584	41,023
Cash in hand		<u>238</u>	<u>516</u>
		41,568	43,059
CREDITORS			
Amounts falling due within one year	10	<u>(2,416)</u>	<u>(2,358)</u>
NET CURRENT ASSETS		<u>39,152</u>	<u>40,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		39,152	40,701
CREDITORS			
Amounts falling due after more than one year	11	<u>(38,651)</u>	<u>(40,328)</u>
NET ASSETS		<u>501</u>	<u>373</u>
CAPITAL AND RESERVES			
Called up share capital	13	10	10
Retained earnings		<u>491</u>	<u>363</u>
SHAREHOLDER FUNDS		<u>501</u>	<u>373</u>

The financial statements were approved by the Board of Directors on 20/05/2022 and were signed on its behalf by:


J Marsh - Director

The notes form part of these financial statements

Inspiredspaces Wolverhampton (Projectco2) Limited

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	10	1,070	1,080
Changes in equity			
Total comprehensive income	-	229	229
Dividends (Note 8)	-	(936)	(936)
Balance at 31 December 2020	<u>10</u>	<u>363</u>	<u>373</u>
Changes in equity			
Total comprehensive income	-	341	341
Dividends (Note 8)	-	(213)	(213)
Balance at 31 December 2021	<u>10</u>	<u>491</u>	<u>501</u>

The notes form part of these financial statements

Inspiredspaces Wolverhampton (ProjectCo2) Limited

Notes to the Financial Statements for the year ended 31 December 2021

1. ACCOUNTING POLICIES

Statement of compliance

Inspiredspaces Wolverhampton (ProjectCo2) Limited is a limited company incorporated, domiciled and registered in England. The Registered Office is 3 More London Riverside, London, SE1 2AQ.

These financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards, and are presented in pound sterling which is the functional currency of the company. All values are rounded to the nearest thousand pounds.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) for the year ended 31 December 2021.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, International Public Partnerships Limited Partnership, includes the Company in its consolidated financial statements. The consolidated financial statements of International Public Partnerships Limited Partnership are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3 More London Riverside, London SE1 2AQ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel and;
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of International Public Partnerships Limited Partnership include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The accounting policies set out below have, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of COVID-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period and to operate within the covenants on its external borrowings.

Specifically, the directors have considered if, in modelled severe but plausible downside scenarios, the level of operational performance of the Company would lead to service failure points being awarded against the Company in accordance with the terms of the Company's contract with the local authority sufficient to cause an event of default under the terms of the Company's external borrowings. To date, taking into account the effect of COVID-19 and there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate that, even in downside scenarios, the Company will be able to meet its liabilities as they fall due.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Revenue

Services revenue (in accordance with IFRIC 12) represents revenues from the provision of construction and operational services to Private Finance Initiative ("PFI") projects calculated as the fair value of services provided. A margin is recognized on the service provided which is reimbursed to the company along with the value of construction over the duration of the concession by the grantor through payment of a unitary charge in line with the Project Agreement of 13 January 2014.

Service concessions

In accordance with IFRIC 12 and the various provisions of adopted IFRSs, the company has determined the appropriate treatment of the principal assets of, and income streams from PFI and similar contracts. Results of all service concessions which fall within the scope of IFRIC 12 conform to the following policies depending on the rights to consideration under the service concessions.

Service concessions treated as financial assets

The company recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are held at amortised cost.

Revenue is recognised by allocating a proportion of total cash receivable to construction income and service income. The consideration received will be allocated by reference to the relative fair value of the services delivered, when the amounts are separately identifiable.

During the operational stage, cash received in respect of the service concessions is allocated to service and maintenance revenue based on its fair value, with the remainder being allocated between capital repayment and interest income using the effective interest method.

The finance receivables are held as loan or receivable in accordance with IAS 39: 'Financial instruments: Recognition and measurement'. Finance receivables are recognised initially at fair value. Subsequent to initial recognition, finance receivables are measured at amortised cost using the effective interest method less any impairment losses.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Any losses arising from impairment are recognised in the Statement of Comprehensive Income in administrative expenses. A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Cash and Cash equivalents

Cash and Cash equivalents comprise cash balances. The Company is obligated to keep a separate cash reserve in respect of future maintenance costs. This restricted cash balance, which is shown on the balance sheet within the "cash at bank" balance, amounts to £185,000 at the year end (2020: £250,000).

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES – continued

Interest receivable and interest payable

Interest payable and similar expenses comprise of interest payable. Interest receivable and similar income comprises interest receivable on funds invested and interest receivable on the financial asset.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to those taxes levied by the same tax authority as the same taxable entity or a different tax entity but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Judgements 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.

There are no significant estimates or judgements in the preparation of these financial statements.

2. TURNOVER

	2021 £'000	2020 £'000
Rendering of operational services	<u>2,064</u>	<u>1,436</u>

3. OPERATING PROFIT

The company has no employees and hence there were no staff costs for the year ended 31 December 2021 (2020: £nil). The directors received no remuneration, fees or other benefits in the performance of their qualifying services in respect of their services to the company (2020: £nil).

	2021 £'000	2020 £'000
Directors' remuneration	<u>25</u>	<u>23</u>

Inspiredspaces Wolverhampton (Projectco2) Limited

**Notes to the Financial Statements – continued
for the year ended 31 December 2021**

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Bank interest receivable	-	3
Interest income on the financial asset	<u>2,765</u>	<u>2,827</u>
	<u>2,765</u>	<u>2,830</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Bank borrowing	2,122	2,215
Amounts payable to group undertakings	<u>447</u>	<u>461</u>
	<u>2,569</u>	<u>2,676</u>

6. OPERATING PROFIT

The following costs were incurred during the year:

	2021 £'000	2020 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>15</u>	<u>12</u>

7. TAXATION

Analysis of tax expense

	2021 £'000	2020 £'000
Current tax:		
UK Corporation tax	<u>80</u>	<u>54</u>
Total tax expense in statement of comprehensive income	<u>80</u>	<u>54</u>

UK corporation tax has been charged at 19% (2020 – 19%).

Factors affecting the tax expense

The tax assessed for the year is the same as (2020: same as) the standard rate of corporation tax in the UK.

	2021 £'000	2020 £'000
Profit before income tax	<u>421</u>	<u>283</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	<u>80</u>	<u>54</u>
Total tax charge	<u>80</u>	<u>54</u>

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge. There is no recognised or unrecognised deferred tax assets or liabilities.

8. DIVIDENDS

	2021 £'000	2020 £'000
Ordinary shares of £1 each		
Interim dividend	<u>213</u>	<u>936</u>

Inspiredspaces Wolverhampton (Projectco2) Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2021

9. DEBTORS

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Amounts receivable in respect of financial assets	1,632	1,402
Prepayments and other debtors	114	112
Corporation tax receivable	-	6
	<u>1,746</u>	<u>1,520</u>

	2021	2020
	£'000	£'000
Amounts falling due after more than one year:		
Amounts receivable in respect of financial assets	<u>39,584</u>	<u>41,023</u>
Aggregate amounts	<u>41,330</u>	<u>42,543</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Bank loans and overdrafts (see note 12)	1,559	1,567
Corporation tax payable	8	-
Trade creditors	373	254
Amounts owed to group undertakings (see note 12)	229	229
Accruals and other creditors	<u>247</u>	<u>308</u>
	<u>2,416</u>	<u>2,358</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Bank loans (see note 12)	34,761	36,320
Amounts owed to group undertakings (see note 12)	<u>3,890</u>	<u>4,008</u>
	<u>38,651</u>	<u>40,328</u>

Inspiredspaces Wolverhampton (Projectco2) Limited

Notes to the Financial Statements - continued for the year ended 31 December 2021

12. FINANCIAL LIABILITIES - BORROWINGS

An analysis of the maturity of the bank loan is given below:

	2021 £'000	2020 £'000
Wholly repayable within five years	8,719	8,245
Not wholly repayable within five years	<u>28,431</u>	<u>30,544</u>
	<u>37,150</u>	<u>38,789</u>

Bank borrowings relate to term loan facilities granted by the bank on 13 January 2014. The loan facility is for a total value of £50,479,000 comprising of a £45,873,000 senior term loan facility, a £3,621,000 equity bridge facility and a £985,000 debt service facility. As at 31 December 2021 £37,150,000 (2020: £38,789,000) has been drawn comprising senior term loan.

Loan issue costs in respect of this facility have been deducted from the gross proceeds of the bank borrowings and an effective interest rate is used to calculate finance costs. There was an effective interest rate adjustment of £830,000 (2020: £902,000) on these loans outstanding at the year end.

The term loan facility is repayable in unequal quarterly instalments having commenced on 30 September 2015 and ending on 30 September 2039. Interest on the term loan and equity bridge loan is charged at a fixed rate of 5.34%.

The facilities are secured, by way of first fixed charge, over all of the assigned rights which the company now has, its present and future interest in the securities and all other stocks, shares, debentures, bonds and other securities, all account monies, all benefits in respect of insurances, all book and other debts and other monies due, its present and future goodwill and its present and future uncalled capital. They are also secured by way of a floating charge over the whole of the charged assets being the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the chargor.

An analysis of the maturity of the group loan is given below:

	2021 £'000	2020 £'000
Wholly repayable within five years	646	573
Not wholly repayable within five years	<u>3,362</u>	<u>3,550</u>
	<u>4,008</u>	<u>4,123</u>

Amounts owed to group undertakings comprise loan stock of £4,008,000 (2020: £4,123,000) from Inspiredspaces Wolverhampton (Holdings2) Limited. These borrowings bear fixed interest at 11% per annum and are repayable in instalments on or before 30 September 2039. There was £111,000 (2020: £114,000) of accrued interest on these loans outstanding at the year end.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
10,000	Ordinary shares	£1	<u>10</u>	<u>10</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Inspiredspaces Wolverhampton (Projectco2) Limited

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

14. RELATED PARTY DISCLOSURES

During the year ended 31 December 2021, the company received director services from Building Schools for Future Investments LLP (BSFI LLP), at a cost of £25,000 (2020: £23,000). The company owed BSFI LLP £nil (2020: £nil) at the year end.

15. ULTIMATE CONTROLLING PARTY

The directors regard Inspiredspaces Wolverhampton (Holdings2) Limited, an entity incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited Partnership, a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership, the smallest and largest group of which the company is a member and for which group financial statements are prepared, can be obtained from the registered address at 3 More London Riverside, London, SE1 2AQ.