

Company registration number 07017410 (England and Wales)

**INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## COMPANY INFORMATION

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Directors	K J Edwards S McGhee P K Johnstone	(Appointed 29 January 2024)
Secretary	Resolis Limited	
Company number	07017410	
Registered office	1 Park Row Leeds United Kingdom LS1 5AB	
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh United Kingdom EH3 7PE	

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# INSPIREDSAPCES ROCHDALE (PROJECTCO1) LIMITED

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# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2024*

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The Directors present their annual report and financial statements of Inspiredspaces Rochdale (Projectco1) Limited ("the Company") for the year ended 31 December 2024.

#### **Principal activities**

The principal activities of the Company are the design, redevelopment, financing and operation of a school and associated services under the Government's Building Schools for the Future scheme for a period of twenty-seven years pursuant to and in accordance with the terms of an agreement with the Rochdale Borough Council ("the Council"). This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts was signed on 11 January 2010. Construction of the school commenced in January 2010 and was completed in September 2011.

#### **Directors**

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

S T Kay	(Resigned 1 September 2024)
M Templeton	(Resigned 29 January 2024)
K J Edwards	
S McGhee	
P K Johnstone	(Appointed 29 January 2024)

#### **Auditor**

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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 Company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Small companies exemption**

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

On behalf of the board

P K Johnstone

**Director**

26 June 2025

# **INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT** ***FOR THE YEAR ENDED 31 DECEMBER 2024***

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The Directors are responsible for preparing the annual 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 the Directors have 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 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INSPIREDSAPES ROCHDALE (PROJECTCO1) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF INSPIREDSAPES ROCHDALE (PROJECTCO1) LIMITED

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#### Opinion

We have audited the financial statements of Inspiredspaces Rochdale (Projectco1) Limited (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 31 December 2024 and of its 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 Directors' 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 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 Directors 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 Directors are 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

# **INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**

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

### **TO THE MEMBER OF INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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, 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are 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 Directors determine 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# INSPIRESPACES ROCHDALE (PROJECTCO1) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF INSPIRESPACES ROCHDALE (PROJECTCO1) LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

**(continued)** We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which they operate, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice;
- Companies Act 2006;
- UK Corporation taxes legislation; and
- VAT legislation.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review submitted returns and board meeting minutes.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Management override of controls; and
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Recalculating the unitary charge received by taking the base charge per the project agreement and uplifting for RPI;
- Agreeing a sample of months' income receipts to invoice and bank statements;
- Performing an assessment on the service margins used in the year and agreeing the margins used to the active financial models;
- Reconciling the finance income and amortisation to the finance debtor reconciliation to ensure allocation methodology is in line with contractual terms and relevant accounting standards.
- Reviewing minutes of meetings of those charged with governance for any breaches of laws and regulations or for any indication of any potential litigation and claims, and events and conditions that could indicate an incentive or pressure to commit fraud or provide opportunity to commit fraud;
- Reviewing the level of and reasoning behind the Company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation;

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.



# **INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**

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

### **TO THE MEMBER OF INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED**

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#### **Use of our report**

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

**Grant Roger (Senior Statutory Auditor)**  
**For and on behalf of Johnston Carmichael LLP**

26 June 2025

**Statutory Auditor**

7-11 Melville Street  
Edinburgh  
EH3 7PE  
United Kingdom

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
<b>Turnover</b>	2,779,406	2,600,687
Cost of sales	(1,597,791)	(1,555,777)
<b>Gross profit</b>	1,181,615	1,044,910
Administrative expenses	(311,559)	(275,842)
<b>Operating profit</b>	870,056	769,068
Interest receivable and similar income	1,121,470	1,202,265
Interest payable and similar expenses	(1,650,288)	(1,683,416)
<b>Profit before taxation</b>	341,238	287,917
Tax on profit	(85,969)	(71,374)
<b>Profit for the financial year</b>	255,269	216,543
<b>Other comprehensive income</b>		
Cash flow hedges gain/(loss) arising in the year	759,378	(424,868)
Tax relating to other comprehensive income	(189,845)	106,217
<b>Total comprehensive income/(loss) for the year</b>	824,802	(102,108)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## BALANCE SHEET

**AS AT 31 DECEMBER 2024**

	Notes	2024 £	£	2023 £	£
<b>Current assets</b>					
Debtors falling due after more than one year	6	11,178,368		12,474,770	
Debtors falling due within one year	6	4,995,387		5,231,227	
Cash at bank and in hand		814,369		3,377,833	
Cash deposits		1,578,506		-	
		<u>18,566,630</u>		<u>21,083,830</u>	
<b>Creditors: amounts falling due within one year</b>	7	(2,061,108)		(4,802,678)	
<b>Net current assets</b>			16,505,522		16,281,152
<b>Creditors: amounts falling due after more than one year</b>	8		(17,086,935)		(17,687,367)
<b>Net liabilities</b>			<u>(581,413)</u>		<u>(1,406,215)</u>
<b>Capital and reserves</b>					
Called up share capital			10,000		10,000
Hedging reserve	9		(276,391)		(845,924)
Profit and loss reserves	10		(315,022)		(570,291)
<b>Total equity</b>			<u>(581,413)</u>		<u>(1,406,215)</u>

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

The financial statements were approved by the board of directors and authorised for issue on 26 June 2025 and are signed on its behalf by:

P K Johnstone  
**Director**

Company registration number 07017410 (England and Wales)

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Hedging reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2023</b>	10,000	(527,273)	(786,834)	(1,304,107)
<b>Year ended 31 December 2023:</b>				
Profit for the year	-	-	216,543	216,543
Other comprehensive income:				
Cash flow hedges gains	-	(424,868)	-	(424,868)
Tax relating to other comprehensive income	-	106,217	-	106,217
Total comprehensive income	-	(318,651)	216,543	(102,108)
<b>Balance at 31 December 2023</b>	10,000	(845,924)	(570,291)	(1,406,215)
<b>Year ended 31 December 2024:</b>				
Profit for the year	-	-	255,269	255,269
Other comprehensive income:				
Cash flow hedges losses	-	759,378	-	759,378
Tax relating to other comprehensive income	-	(189,845)	-	(189,845)
Total comprehensive income/(expenditure)	-	569,533	255,269	824,802
<b>Balance at 31 December 2024</b>	10,000	(276,391)	(315,022)	(581,413)

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	13	495,246		1,594,189	
Interest paid		(1,631,180)		(1,664,308)	
<b>Net cash outflow from operating activities</b>		(1,135,934)		(70,119)	
<b>Investing activities</b>					
Interest received		1,121,470		1,202,265	
Cash placed on deposit		(1,578,506)		-	
<b>Net cash (used in)/generated from investing activities</b>		(457,036)		1,202,265	
<b>Financing activities</b>					
Repayment of bank loans		(970,494)		(1,068,138)	
<b>Net cash used in financing activities</b>		(970,494)		(1,068,138)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,563,464)		64,008	
Cash and cash equivalents at beginning of year		3,377,833		3,313,825	
<b>Cash and cash equivalents at end of year</b>		814,369		3,377,833	

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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### **1 Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the Directors are 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 have had the most significant effect on amounts recognised in the financial statements:

- Fair values for derivative contracts are based on mark-to-market valuations provided by the contract counterparty. Whilst these can be tested for reasonableness, the exact valuation methodology and forecast assumptions for future interest rates or inflation rates are specific to the counterparty.

#### **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.

- Accounting for the service concession contract and finance debtors requires estimation of a finance debtor interest rate.
- Future lifecycle costs are forecast based on detailed plans prepared annually. These forecasts impact the calculation of the service margin being applied. Lifecycle costs can have a significant impact on the Company's profitability.

### **2 Accounting policies**

#### **Company information**

Inspiredspaces Rochdale (Projectco1) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

#### **2.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include derivative financial instruments at fair value. The principal accounting policies adopted are set out below.

# INSPIRESPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 2 Accounting policies

(Continued)

##### 2.2 Going concern

In assessing the going concern status of the Company, the Directors have reviewed the Company's projected profits and cash flows by reference to a financial model covering accounting periods up to December 2036. The Directors are satisfied that future income streams are secure and that cash inflows are not impaired.

The shareholder's funds at 31 December 2024 show a deficit of £581,413 (2023: £1,406,215). This arises from the recognition of the Company's swap liability at fair value as well as retained losses due to historic defect costs in prior years. The Company has a secured bank facility that will enable it to continue trading for the concession period.

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 twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### 2.3 Service concession - financial assets

The Company is a special purpose entity that has been established to provide services under certain private finance agreements with Rochdale Borough Council (the Council). Under the terms of these Agreements, the Council controls the service to be provided by the Company over the contract term. Based on the contractual arrangements the Company has classified the project as a service concession arrangement and has accounted for the principal assets of and income streams from, the project in accordance with FRS 102, section 34.12 Service Concession Arrangement.

The Company is an operator of a PFI contract. The underlying asset is not deemed to be an asset of the Company under FRS102 section 34C, because the risks and rewards of ownership as set out in that Standard are deemed to lie principally with the Council.

During the construction phase of the project, all attributable expenditure was included in amounts recoverable on contracts and turnover. Upon becoming operational, the costs were transferred to the finance debtor. During the operational phase income is allocated between interest receivable and the finance debtor using a project specific interest rate. The remainder of the PFI unitary charge income is included within turnover. The Company recognises income in respect of the services provided as it fulfils its contractual obligations in respect of those services and in line with the fair value of the consideration receivable in respect of those services.

The Company has taken advantage of the exemption contained within 35.10 (i) of FRS 102 not to apply 34.12I-35.16A to its PFI service concession arrangement (the finance debtor). Accordingly, the service concession arrangement has continued to be accounted for using the same accounting policies that applied at the date of transition to FRS 102. Major maintenance costs are recognised on a contractual basis and the revenue in respect of these services is recognised when these services are performed.

##### 2.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Cash amounts placed on deposit for longer than three months are shown separately on the statement of financial position - these amounts totalled £1,578,506 as of 31 December 2024 (2023: £nil). These amounts are not subject to interest risk as the interest rate is fixed for the duration of the deposit.

The Company is obligated to keep separate cash reserves in respect of certain future cashflows. This restricted cash balance, which is shown on the balance sheet within the "cash at bank" balance, amounts to £1,983,337 at the year end (2023: £2,468,955). Of this, £1,578,506 is cash placed on deposit.

# INSPIRESPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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### **2 Accounting policies**

**(Continued)**

#### **2.5 Financial instruments**

The Company 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 Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### ***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 Company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

#### **2.6 Equity instruments**

Equity instruments issued by the Company 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 Company.

#### **2.7 Hedge accounting**

The Company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.



# INSPIRESPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

### 2 Accounting policies

(Continued)

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

#### 2.8 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has 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.

### 3 Auditor's remuneration

	2024	2023
Fees payable to the Company's auditor and associates:	£	£
<b>For audit services</b>		
Audit of the financial statements of the Company	20,610	19,260
	=====	=====

### 4 Employees

The average monthly number of persons (including directors) employed by the Company during the year was Nil (2023: Nil).

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

### 5 Financial instruments

	2024 £	2023 £
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Derivative financial instruments	368,519	1,127,897

### 6 Debtors

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,988	1,784
Prepayments and accrued income	51,228	66,636
Finance debtor	4,938,171	5,162,807
	4,995,387	5,231,227
<b>Amounts falling due after more than one year:</b>		
Finance debtor	10,971,392	11,991,980
Deferred tax asset	206,976	482,790
	11,178,368	12,474,770
<b>Total debtors</b>	16,173,755	17,705,997

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

	2024 £	2023 £
Bank loans	911,263	951,907
Taxation and social security	124,071	197,636
Other creditors	1,025,774	3,653,135
	2,061,108	4,802,678

All amounts drawn under the senior debt facility ("bank loans") are secured by fixed and floating charges over the total assets of the Company. The Company entered into an interest hedging agreement to fix the interest rate on this loan until its maturity in 2036.

"Other creditors" includes loan stock repayable to the Company's parent company in profiled, semi-annual instalments to 2036. Interest charged on the loan stock is based on a fixed nominal interest rate and this facility is unsecured.

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2024

#### 8 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Bank loans and overdrafts	14,487,020	15,398,283
Other creditors	2,599,915	2,289,084
	<u>17,086,935</u>	<u>17,687,367</u>

All amounts drawn under the senior debt facility ("bank loans") are secured by fixed and floating charges over the total assets of the Company. The Company entered into an interest hedging agreement to fix the interest rate on this loan until its maturity in 2036.

"Other creditors" includes loan stock repayable to the Company's parent company in profiled, semi-annual instalments to 2036. Interest charged on the loan stock is based on a fixed nominal interest rate and this facility is unsecured. "Other creditors" also includes the fair value of the interest rate swap arrangement, accounted for as a financial instrument measured at fair value through profit or loss as shown in note 5.

Creditors which fall due after five years are as follows:

	2024 £	2023 £
Payable by instalments	<u>11,756,749</u>	<u>12,842,125</u>

#### 9 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions that have not yet occurred.

#### 10 Profit and loss reserves

Profit and loss reserves contains the cumulative retained earnings carried forward less distributions to shareholders.

#### 11 Related Party Transactions

The Company is wholly owned by Inspiredspaces Rochdale (Holdings1) Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures' that allows it not to disclose transactions with wholly owned members of a group.

#### 12 Parent company

The Company is wholly owned by Inspiredspaces Rochdale (Holdings1) Limited, whose registered office is the same as the Company. There is no ultimate controlling party of the Company.

No group financial statements include the results of the Company.

# INSPIREDSPACES ROCHDALE (PROJECTCO1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2024**

### 13 Cash generated from operations

	2024 £	2023 £
Profit after taxation	255,269	216,543
<b>Adjustments for:</b>		
Taxation charged	85,969	71,374
Finance costs	1,650,288	1,683,416
Investment income	(1,121,470)	(1,202,265)
<b>Movements in working capital:</b>		
Decrease in debtors	1,256,428	1,148,599
Decrease in creditors	(1,631,238)	(323,478)
<b>Cash generated from operations</b>	<b>495,246</b>	<b>1,594,189</b>

### 14 Analysis of changes in net debt

	1 January 2024 £	Cash flows £	Loan issue cost amortisation £	31 December 2024 £
Cash at bank and in hand	3,377,833	(2,563,464)	-	814,369
Borrowings excluding overdrafts	(19,031,378)	970,494	(19,108)	(18,079,992)
	<b>(15,653,545)</b>	<b>(1,592,970)</b>	<b>(19,108)</b>	<b>(17,265,623)</b>

