

REGISTERED NUMBER: 06397426 (England and Wales)

Audited Financial Statements for the Year Ended 31 December 2020

for

ESG Holdings Limited

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ESG Holdings Limited (Registered number: 06397426)

Statement of Financial Position
For the year ended 31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investments	4	<u>1,336,855</u>	<u>-</u>
CURRENT ASSETS			
Debtors falling due within one year	5	-	9,995,180
Cash at bank and in hand	6	<u>10,813</u>	<u>-</u>
		10,813	9,995,180
CURRENT LIABILITIES			
Amounts falling due within one year	7	<u>-</u>	<u>(892,153)</u>
NET CURRENT ASSETS		<u>10,813</u>	<u>9,103,027</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,347,668</u>	<u>9,103,027</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,029	1,029
Share premium	9	9,405,119	8,068,264
Retained earnings	9	<u>(8,058,480)</u>	<u>1,033,734</u>
SHAREHOLDERS' FUNDS		<u>1,347,668</u>	<u>9,103,027</u>

The financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A – small entities.

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

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 of Directors and were signed on its behalf by:

G Scott

G Scott (Jun 28, 2021 15:04 GMT+1)

G Scott - Director

Date: 28 June 2021

The notes on pages 2 to 5 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 December 2020

1. COMPANY INFORMATION

ESG Holdings Limited ("the company") is a private company limited by shares incorporated in England and Wales, with its registered office at 12 Europa View, Sheffield Business Park, Sheffield, England, S9 1XH.

These financial statements are prepared for the year ended 31 December 2020. The comparative financial statements are for the year ended 31 December 2019.

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

The financial statements present information about ESG Holdings Limited as an individual entity and do not consolidate the results of its subsidiaries. It has taken advantage of the exemption available in S400 of the Companies Act 2006 not to prepare group financial statements as this information is included in the consolidated financial statements of Realise Working Futures Limited as at 31 December 2020 and these financial statements have been filed with Companies House, Cardiff.

2. GOING CONCERN STATEMENT

The company continues to carry out its primary activity as an intermediate holding company.

Based on future expected liabilities and current resources the company is expected to meet its liabilities as they fall due. The company also has confirmation from Realise Learning and Employment Limited, the main trading entity of the group and the company with available finance facilities that it will continue to provide financial support for a period of at least 12 months from the date of approval of these financial statements.

Realise Learning and Employment Limited have prepared trading and cashflow forecasts up until the end of July 2022 considering the current increase in demand post COVID-19 lockdowns and planned pipeline. They have also conducted sensitivity analysis giving an indication of performance should the current conditions continue, which is considered by the directors as a plausible but severe set of circumstances.

These forecasts indicate that Realise Learning and Employment Limited's existing funding facilities and positive cash balance will be sufficient for them to meet their liabilities as they become due and provide financial support to ESG Holdings Limited in the scenarios forecast. The sensitivity analysis indicates that the level of revenue reduction required to extinguish the liquidity is highly unlikely.

All expectations of the future are inherently uncertain due to the current circumstances, however, the Directors are confident that the company has adequate resources for all reasonably expected eventualities. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting standard applicable in the UK and Republic of Ireland and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The policies have been applied consistently throughout the year, unless otherwise stated.

The financial statements are presented in Sterling (£), which is the functional currency of the Company.

Notes to the Financial Statements continued
For the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' as this information is included in the consolidated financial statements of Realise Working Futures Limited:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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.

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.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 income or directly in equity respectively.

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time of the expected reversal of the timing differences.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Investment in subsidiaries

Investment in subsidiary undertakings are recorded at cost less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of impairment. The investment is impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimate future cash flows of the investment have been affected.

Notes to the Financial Statements continued
For the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. There are no significant judgments or estimates included in these financial statements.

4. INVESTMENTS

As at 31 December 2020, the company holds the share capital of the following principal companies incorporated in England and Wales (indirectly*):

Company	Principal activity	Share class held	%
ESG Intermediate Holdings Limited	Intermediate holding company	Ordinary	100
ILE Corporate Services Limited *	Administrative and management services	Ordinary	100
Realise Learning and Employment Limited *	Vocational training	Ordinary	100
Sencia Limited *	Provision of training and employment services	Ordinary & Preference	100

Cost	£
At 1 January 2020	1,000
Investment	1,336,855
At 31 December 2020	<u>1,337,855</u>
Provision for Impairment	£
At 1 January 2020 and 31 December 2020	<u>1,000</u>
Net Book Value	£
At 1 January 2020	-
At 31 December 2020	<u>1,336,855</u>

The investment addition of £1,336,855 relates to the purchase of an additional 1 share that was allotted in the direct subsidiary company.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed by group undertakings	<u>-</u>	<u>9,995,180</u>

Amounts owed by group undertakings pertains to interest free advances repayable on demand.

6. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	<u>10,813</u>	<u>-</u>

Notes to the Financial Statements continued
For the Year Ended 31 December 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank overdraft	-	146,029
Amounts owed to group undertakings	-	746,124
	<u>-</u>	<u>892,153</u>

Amounts owed to group undertakings pertains to interest free advances that are repayable on demand.

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

			2020	2019
			£	£
Number:	Class:	Nominal Value:		
1,029,217 (2019: 1,029,216)	Ordinary	£0.001	<u>1,029</u>	<u>1,029</u>

9. RESERVES

Retained earnings includes all current and prior year retained profits and losses.

Share premium represents amounts paid in excess of the nominal value for the share capital.

10. CONTROLLING PARTY

The company is a wholly owned subsidiary of Realise Working Futures Limited. During the period, the directors regard Realise Working Futures Limited as the immediate parent undertaking and Realise Learning and Employment Holdings Limited as the ultimate parent company.

Realise Learning and Employment Holdings Limited is considered to be under the control of funds managed by Enact II GP LLP which is authorised and regulated by the Financial Conduct Authority.

The directors consider that there is no one ultimate controlling party by virtue of there being no majority shareholder within the ultimate parent entity.

11. RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Realise Working Futures Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with Realise Working Futures Limited or other 100% group companies.

12. CONTINGENT LIABILITIES

At 31 December 2020 there were no contingent liabilities (2019: £319,188,000).

13. AUDITOR'S INFORMATION

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The auditor's report was signed on 28 June 2021 by Shaun Mullins (Senior Statutory Auditor) on behalf of Mazars LLP.