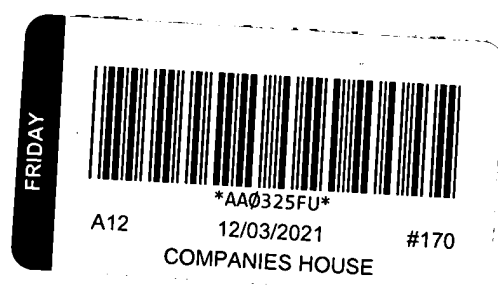


REGISTERED NUMBER: 06397427 (England and Wales)

Annual Report and Financial Statements for Year Ended 31 December 2019

for

ESG Intermediate Holdings Limited



ESG Intermediate Holdings Limited (Registered number: 06397427)

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for the Year Ended 31 December 2019

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ESG Intermediate Holdings Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

G Scott
S Frith
L Rimmington
M Cooper

REGISTERED OFFICE:

12 Europa View,
Sheffield Business Park,
Sheffield
S9 1XH

REGISTERED NUMBER:

06397427 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
2nd Floor
St John's House
Haslett Avenue West
Crawley
RH10 1HS
United Kingdom

ESG Intermediate Holdings Limited (Registered number: 06397427)

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

ESG Intermediate Holdings Limited (the "Company") is a wholly owned subsidiary of ESG Holdings Limited.

Operating loss for the year was £13,573 (2018: loss of £14,670,730) and the loss for the financial year after taxation was £11,265 (2018: loss of £14,666,697). The full results for the year ended 31 December 2019 are set out in the financial statements.

FUTURE DEVELOPMENTS

The business will continue to manage its future obligations in order to fulfil any contractual requirements.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have concluded that there are no principal risks and uncertainties to disclose in the Strategic Report. The directors have given due consideration to any expected obligations that the company will have and has estimated the costs of these within the financial statements.

FINANCIAL RISK MANAGEMENT

The company has exposure to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the company's performance. The Board has policies for managing each of these risks.

The company currently receives the bulk of its revenue from government departments and is not therefore exposed to significant credit risk. Additionally the company considers that it is not subject to any interest rate or currency risk. To mitigate liquidity risk the company prepares regular cash flow budgets and operational budgets which are reviewed by the Board. The company has access to financing facilities to satisfy working capital requirements if needed.

INVESTMENT AND GROUP RESTRUCTURING

In October 2020 ESG Intermediate Holdings Limited secured significant investment from Enact II GP LLP ("Enact") who acquired the business alongside the existing management team. Enact is a trading division of Endless LLP, specifically focused on providing transformational investment into UK based SMEs. The investment resulted in the business becoming a financially stable, standalone entity outside of the Interserve group as significant intergroup liabilities were written off combined with access to equity funding.

KEY PERFORMANCE INDICATORS (KPIs)

The company's directors consider a range of KPIs to measure the business. The set of KPIs is constantly reviewed and changes over time with the development of the business. The range of measures includes but is not limited to contractual performance levels, quality ratings, health and safety, equal opportunities and a range of financial measures.

ON BEHALF OF THE BOARD:

Gregg Scott

.....
G Scott - Director
11/3/2021

ESG Intermediate Holdings Limited (Registered number: 06397427)

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £11,265 (2018: loss £14,666,697). No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors who have held office during the year from 1 January 2019 to the date of this report are as follows:

S Jones – resigned 30 June 2020
C Peel – resigned 30 June 2019
L Gowens – resigned 23 January 2020
G Scott – appointed 04 November 2019
S Frith – appointed 02 October 2020
L Rimmington - appointed 02 October 2020
M Cooper - appointed 02 October 2020

QUALIFYING THIRD PARTY INDEMNITY PROVISION

The company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

POST BALANCE SHEET EVENTS

In October 2020 ESG Intermediate Holdings Limited secured significant investment from Enact II GP LLP (“Enact”) who acquired the business alongside the existing management team. Enact is a trading division of Endless LLP, specifically focused on providing transformational investment into UK based SMEs. The investment resulted in the business becoming a financially stable, standalone entity outside of the group as significant intergroup liabilities were written off combined with access to equity funding.

Following the disposal by Interserve Group post year end, financial support is no longer available from Interserve. As a result it is expected, subject to the director's final assessment, that the intercompany debtors, which amounted to £3,281,702 at 31 December 2019, will be fully impaired during the year ended 31 December 2020.

On 30 January 2020 the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic resulting in the governments of many countries, states and cities taking preventative and protective actions such as imposing restrictions on travel and business operations and advising or requiring individuals to stay at home or quarantine in cases where people have been exposed to the virus.

The Company has concluded that the coronavirus pandemic is a non-adjusting post balance sheet event in accordance with FRS 102 Events After the Reporting Period, as the significant changes in business activities and economic conditions occurred as a result of events arising after the 31 December 2019 reporting date.

GOING CONCERN STATEMENT

The operating loss for the year was £13,573 (2018: loss of £14,670,730) and the loss for the financial year after taxation was £11,265 (2018: loss of £14,666,697). The company continues to carry out its primary activity as an Intermediate parent 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 March 2022 considering the current impact of the pandemic and a gradual return in demand. 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.

ESG Intermediate Holdings Limited (Registered number: 06397427)

Report of the Directors continued
for the Year Ended 31 December 2019

GOING CONCERN STATEMENT CONTINUED

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 Intermediate Holdings Limited in the scenarios forecast. The sensitivity analysis indicates that the level of revenue reduction required to extinguish the liquidity is not plausible.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report of the Directors 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'). 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm:

- that 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Gregg Scott

.....
G Scott - Director
11/3/2021

ESG Intermediate Holdings Limited (Registered number: 06397427)
Independent Auditor's Report to the Members of ESG Intermediate Holdings Limited

Opinion

We have audited the financial statements of ESG Intermediate Holdings Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom 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 2019 and of its loss 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

ESG Intermediate Holdings Limited (Registered number: 06397427)
Independent Auditor's Report to the Members of ESG Intermediate Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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.

ESG Intermediate Holdings Limited (Registered number: 06397427)
Independent Auditor's Report to the Members of ESG Intermediate Holdings Limited

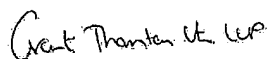
Auditor's responsibilities for the audit of the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



.....
Jonathan Maile Bsc(Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
11/3/2021

ESG Intermediate Holdings Limited (Registered number: 06397427)Statement of Income and Retained Earnings
for the Year Ended 31 December 2019

	Notes	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
TURNOVER		-	-
Administrative expenses		(13,573)	(23,722)
Impairment of investment	8	<u>-</u>	<u>(14,647,008)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(13,573)	(14,670,730)
Tax on loss on ordinary activities	6	<u>2,308</u>	<u>4,033</u>
LOSS FOR THE FINANCIAL YEAR		<u>(11,265)</u>	<u>(14,666,697)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(11,265)</u>	<u>(14,666,697)</u>
RETAINED EARNINGS AT 1 JANUARY		(13,985,696)	681,001
DIVIDENDS PAID		-	-
RETAINED EARNINGS AT 31 DECEMBER		<u>(13,996,961)</u>	<u>(13,985,696)</u>

All transactions arise from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

ESG Intermediate Holdings Limited (Registered number: 06397427)**Statement of Financial Position****31 December 2019**

	Notes	31 December 2019 £	31 December 2018 £
FIXED ASSETS			
Tangible assets	7	-	13,885
		-	13,885
CURRENT ASSETS			
Debtors – amounts falling due within one year	9	3,281,702	3,380,308
Debtors - amounts falling due after more than one year	10	6,463	4,155
Cash at bank		-	11,779
		3,288,165	3,396,242
CREDITORS			
Amounts falling due within one year	11	(16,830,988)	(16,839,341)
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,542,823)	(13,429,214)
PROVISIONS FOR LIABILITIES	13	(40,245)	(142,589)
NET LIABILITIES		(13,583,068)	(13,571,803)
CAPITAL AND RESERVES			
Called up share capital	15	413,893	413,893
Retained earnings	16	(13,996,961)	(13,985,696)
SHAREHOLDERS' DEFICIT		(13,583,068)	(13,571,803)

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

Gregg Scott

G Scott - Director
11/3/2021

The notes on pages 10 to 17 form part of these financial statements.

ESG Intermediate Holdings Limited (Registered number: 06397427)

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. COMPANY INFORMATION

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

The company is a holding company for the subsidiaries of the group.

The accounts present information about ESG Intermediate 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 accounts as this information is included in the consolidated financial statements of Interserve Group Limited as at 31 December 2019 and these financial statements have been filed with Companies House, Cardiff.

2. GOING CONCERN STATEMENT

The operating loss for the year was £13,573 (2018: loss of £14,670,730) and the loss for the financial year after taxation was £11,265 (2018: loss of £14,666,697). The company continues to carry out its primary activity as an Intermediate parent 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 March 2022 considering the current impact of the pandemic and a gradual return in demand. 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 Intermediate Holdings Limited in the scenarios forecast. The sensitivity analysis indicates that the level of revenue reduction required to extinguish the liquidity is not plausible.

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 applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has adopted FRS102 effective from 1st January 2018. Upon exiting the Interserve Group on the 2nd October 2020, the decision was made to transition back from FRS101 'Reduced Disclosure Framework' to FRS102 as the company is entirely UK based and consequently, adopting FRS102 is considered to be the most appropriate. We have considered all transactions between the 1st January 2018 to 31st December 2019 and conclude that there are no differences which need to be reported upon transitioning back to FRS102.

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.

ESG Intermediate Holdings Limited (Registered number: 06397427)

Notes to the Financial Statements
for the Year Ended 31 December 2019

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 Interserve Group 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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following bases:

Leasehold improvements - straight line over the period of the lease

Taxation

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.

Full provision is made for deferred tax assets and liabilities on a non-discounted basis arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

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

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

Hire purchase and leasing commitments

Rentals under operating leases are charged on a straight line basis over the lease terms. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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.

ESG Intermediate Holdings Limited (Registered number: 06397427)Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**3. ACCOUNTING POLICIES – continued****Dilapidation provision**

Provision is made for contractual property dilapidation obligations during the period of occupation of each premise.

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.

Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires judgement. In making these judgements, net assets of subsidiaries at the balance sheet date and Board-approved budgets for the next three years are taken into consideration. An impairment was recognised in 2018 to the value of £14,647,008, the company has assessed the investments and the likelihood of future profits and concluded that they are of nil value and have therefore been written off in full.

Parent company

As at 31 December 2019 the company's ultimate parent company was Interserve Group Limited, incorporated in England and Wales, which prepares publicly available consolidated financial statements. This company is included in the consolidated financial statements of Interserve Group Limited; which is the largest and smallest group into which the results of the company are consolidated for the year ended 31 December 2019. The accounts have been filed with Companies House, Cardiff.

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018.

There were no director's remuneration for the year ended 31 December 2019 nor for the year ended 31 December 2018.

5. LOSS ON ORDINARY ACTIVITY BEFORE TAXATION

The loss before taxation is stated after charging:

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Depreciation - owned assets	13,573	23,722
Impairment of investment	-	14,647,008

There were no recognised gains and losses other than those included in the statement of comprehensive income.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year and their historical cost equivalents.

The auditors' remuneration for the company, together with certain other administrative expenses, has been borne by another group undertaking and not recharged.

ESG Intermediate Holdings Limited (Registered number: 06397427)Notes to the Financial Statements – continued
for the Year Ended 31 December 2019**6. TAXATION****Analysis of tax income**

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Current tax:		
Corporation tax	-	-
Prior year tax adjustment	-	-
	<u>-</u>	<u>-</u>
Deferred tax:		
Deferred tax – current year	(2,308)	(4,033)
Deferred tax – prior period adjustment	-	-
	<u>-</u>	<u>-</u>
Total tax income in statement of comprehensive income	<u>(2,308)</u>	<u>(4,033)</u>

Factors affecting the tax income

The tax assessed for the period is higher (2018: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Loss on ordinary activities before income tax	<u>(13,573)</u>	<u>(14,670,730)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	(2,579)	(2,787,439)
Effects of:		
Impairment of an Investment not tax deductible	-	2,782,932
Recognition of tax liability not recognised in previous periods	-	-
Changes in the rate of deferred tax	<u>271</u>	<u>474</u>
Tax income	<u>(2,308)</u>	<u>(4,033)</u>

ESG Intermediate Holdings Limited (Registered number: 06397427)Notes to the Financial Statements – continued
for the Year Ended 31 December 2019**7. TANGIBLE FIXED ASSETS**

	Improvements to property £
COST	
At 1 January 2019	224,877
Additions	-
Disposals	<u>(29,630)</u>
At 31 December 2019	<u>195,247</u>
DEPRECIATION	
At 1 January 2019	210,992
Charge for year	13,573
Eliminated on disposal	<u>(29,318)</u>
At 31 December 2019	<u>195,247</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>-</u></u>
At 31 December 2018	13,885

8. INVESTMENTS

As at 31st December 2019, the company holds the share capital of the following principal companies incorporated in England and Wales (*indirectly):

Company	Principal activity	Share class	
		held	%
ILE Corporate Services Limited	Administrative and management services	Ordinary	100
Orient gold Limited	Non trading subsidiary	Ordinary	100
Broomco (4110) Limited	Intermediate holding company	Ordinary	100
Triangle Training Holdings * Limited	Intermediate holding company	Ordinary	100
Triangle Training Limited *	Intermediate holding company	Ordinary	100
Realise Learning & Employment Limited (formerly Interserve Learning and Employment (Services) Limited	Vocational training	Ordinary	100
Sencia Limited	Provision of training and employment services	Ordinary	100
ESG (Saudi Arabia) LLC *	Vocational training	Ordinary	100

Note: ESG (Saudi Arabia) LLC is not incorporated in England and Wales and is incorporated in Saudi Arabia.

Following the sale on the 2nd October 2020, (refer to note 21) the company held the shares in ILE Corporate Services Limited, Realise Learning and Employment Limited and Sencia Limited. Orient Gold Limited, Broomco (4110) Limited, Triangle Training Holdings Limited, Triangle Training Limited and ESG (Saudi Arabia) LLC were not part of the transaction and were sold to Interserve Services Futures Limited.

ESG Intermediate Holdings Limited (Registered number: 06397427)Notes to the Financial Statements – continued
for the Year Ended 31 December 2019**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2019	31 December 2018
	£	£
Amounts owed by group undertakings	<u>3,281,702</u>	<u>3,380,308</u>
	<u>3,281,702</u>	<u>3,380,308</u>

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

10. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2019	31 December 2018
	£	£
Deferred tax asset (see note 14)	<u>6,463</u>	<u>4,155</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2019	31 December 2018
	£	£
Amounts owed to group undertakings	16,531,692	16,839,341
Bank Overdraft	<u>299,296</u>	<u>-</u>
	<u>16,830,988</u>	<u>16,839,341</u>

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

12. OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	201
	£	£
Within one year	226,742	207,915
Between one and five years	<u>587,416</u>	<u>737,325</u>
	<u>814,158</u>	<u>945,240</u>

13. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Dilapidation provisions	<u>40,245</u>	<u>142,589</u>
		£
Balance at 1 January 2019		142,589
Utilised during year		<u>(102,344)</u>
Balance at 31 December 2019		<u>40,245</u>

The dilapidations charges incurred were recharged from another group company.

ESG Intermediate Holdings Limited (Registered number: 06397427)Notes to the Financial Statements – continued
for the Year Ended 31 December 2019**14. DEFERRED TAXATION**

	£
Balance at 1 January 2019	4,155
Credited to profit and loss account during year	<u>2,308</u>
Balance at 31 December 2019	<u><u>6,463</u></u>

The deferred taxation balance is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	<u>6,463</u>	<u>4,155</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
41,389,329	Ordinary shares	£0.01	<u>413,893</u>	<u>413,893</u>

16. RESERVES

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

17. CONTROLLING PARTY

The company is a wholly owned subsidiary of ESG Holdings Limited. During the period, the directors regard ESG Holdings Limited as the immediate parent undertaking with Interserve Group Limited as the ultimate parent company undertaking and the controlling party.

The financial statements of the company are consolidated into Interserve Group limited accounts.

Subsequently to the accounting period, the business was acquired by Enact II GP LLP on 2nd October 2020. 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.

18. RELATED PARTY DISCLOSURES

In preparing these financial statements, the directors have taken advantage of the exemption available under Financial Reporting Standards 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', and have not disclosed transactions with other wholly owned group undertakings.

19. CONTINGENT LIABILITIES

At 31 December 2019 there were contingent liabilities in respect of guarantees given in the ordinary course of the business. The company has given guarantees covering banking facilities made available to the parent and fellow subsidiary undertakings. At 31 December 2019 these amounted to £319,188,000 (2018: £1,035,544,000).

Further to the post balance sheet events as detailed in note 21, the new facilities as part of the sale reduced the contingent liabilities as at the date of signing of these accounts to £0.

ESG Intermediate Holdings Limited (Registered number: 06397427)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2019

20. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2018 or 31 December 2019.

21. POST BALANCE SHEET EVENTS

In October 2020 ESG Intermediate Holdings Limited secured significant investment from Enact II GP LLP (“Enact”) who acquired the business alongside the existing management team. Enact is a trading division of Endless LLP, specifically focused on providing transformational investment into UK based SMEs. The investment resulted in the business becoming a financially stable, standalone entity outside of the group as significant intergroup liabilities were written off combined with access to equity funding.

Following the disposal by Interserve Group post year end, financial support is no longer available from Interserve. As a result it is expected, subject to the director's final assessment, that the intercompany debtors, which amounted to £3,281,702 at 31 December 2019, will be fully impaired during the year ended 31 December 2020.

On 30 January 2020 the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic resulting in the governments of many countries, states and cities taking preventative and protective actions such as imposing restrictions on travel and business operations and advising or requiring individuals to stay at home or quarantine in cases where people have been exposed to the virus.

The Company has concluded that the coronavirus pandemic is a non-adjusting post balance sheet event in accordance with FRS 102 Events After the Reporting Period, as the significant changes in business activities and economic conditions occurred as a result of events arising after the 31 December 2019 reporting date.