REGISTERED NUMBER: 09256118 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 December 2018

for

Interserve Developments No.6 Limited

Interserve Developments No.6 Limited

Contents of the Financial Statements for the Year Ended 31 December 2018

Interserve Developments No.6 Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:	S Jones R Goyal
REGISTERED OFFICE:	Interserve House Ruscombe Park Twyford Reading Berkshire RG10 9JU
REGISTERED NUMBER:	09256118 (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

Report of the Directors
for the Year Ended 31 December 2018

The directors present their annual report and audited financial statements for the year ended 31 December 2018.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly no Strategic Report has been prepared.

PRINCIPAL ACTIVITY
The principal activity of the company is that of a property development company. This activity is not anticipated to change in the foreseeable future.

REVIEW OF BUSINESS
The results of the company are as set out in the accounts on page 6.

No interim dividend was paid during the year (2017: £nil) and the directors do not recommend a final dividend (2017: £nil). A profit of £207,000 (2017: loss of £240,000) has been transferred to reserves.

The directors have considered the company's next twelve months working capital requirements in relation to its cash position at 31 December 2018 and at the date of these accounts, and based on this conclude that the company will continue to operate normally for the foreseeable future and therefore, continue to prepare the financial statements on the going concern basis.

DIRECTORS
S Jones has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

C Field - resigned 21 December 2018

R Goyal was appointed as a director after 31 December 2018 but prior to the date of this report.

D Sutherland ceased to be a director after 31 December 2018 but prior to the date of this report.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due in the 22 month period to 31 December 2021 ("the going concern review period"). Based on current forecasts and taking into account existing cash and debt facilities of Interserve Group Limited and its subsidiary undertakings (together "the Group"), the Directors expect the Company to have sufficient liquidity to meet its funding requirements during the going concern review period.

The Directors have carefully considered factors which may affect the Company's and the Group's future performance and financial position in the context of their available resources. Specifically:

- The markets in which the Group operates have been challenging over the last few years, although these markets are now showing signs of recovery.

- The satisfactory close out of legacy liabilities and contracts related to the businesses from which the Group has exited (primarily certain construction markets and Energy from Waste).

- Following the Group's deleveraging in March 2019, the Group's lenders became the Group's shareholders. The new shareholders are not natural long-term owners and consequently the Group has commenced a strategic review which may result in the disposal of certain parts of the business. While no decisions have been made, it is possible that within the going concern review period disposals are concluded. The impact and materiality on the remainder of the Group of any such disposals and the requirement to repay debt or retire debt facilities with the majority of any disposal proceeds, cannot be accurately assessed at this stage. However, the directors would, in accordance with their statutory duties, naturally engage with other companies within the Group (including Interserve Group Limited) in order to ensure that the remaining Group continued to have access to sufficient financial resources.

- The going concern review period of 22 months is longer than typically considered by private companies. The longer the period under review the more judgmental the forecast and the higher the uncertainties inherent within it.

The Directors have considered the above uncertainties and have concluded that, whilst individually they are not material, collectively they represent a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The Directors have concluded that, after due consideration, there is a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

These financial statements do not include the adjustments that would result if the Group or the Company were unable to continue as a going concern.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 FRS 101 'Reduced Disclosure Framework)'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:
so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

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S Jones - Director

Date: 28 February 2020

Independent Auditors' Report to the Members of
Interserve Developments No.6 Limited

Opinion

We have audited the financial statements of Interserve Developments No.6 Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of total comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 101 'Reduced Disclosure Framework' (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 2018 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.

The impact of uncertainties arising from the UK exiting the European Union 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 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.

Brexit is one of the most significant economic events for the UK, and at the date of this report its 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 a course of action such as Brexit.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which explains that the company's going concern assessment is dependent upon the assessment of the going concern of the Group as a whole. As stated in note 2, a number of uncertainties have been identified across the Group. The Directors have concluded that whilst individually these uncertainties are not material, collectively they represent a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 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.

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 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; 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 for the financial statements
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: 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.

Grant Thornton UK LLP

Jonathan Maile BSc(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants and Statutory
Auditor
Crawley

Date: 28 February 2020

Interserve Developments No.6 Limited

Statement of Total Comprehensive Income
for the Year Ended 31 December 2018

	Notes	2018 £'000	2017 £'000
TURNOVER		2,559	6,720
Cost of sales		(2,304)	(7,017)
GROSS PROFIT/(LOSS)		255	(297)
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION	3	255	(297)
Tax on profit/(loss)	4	(48)	57
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		207	(240)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		207	(240)

The notes form part of these financial statements

Interserve Developments No.6 Limited (Registered number: 09256118)

Balance Sheet
31 December 2018

	Notes	2018 £'000	2017 £'000
CURRENT ASSETS			
Debtors	5	1,652	1,773
CREDITORS			
Amounts falling due within one year	6	(1,265)	(1,593)
NET CURRENT ASSETS		387	180
TOTAL ASSETS LESS CURRENT LIABILITIES		387	180
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Retained earnings	8	387	180
SHAREHOLDERS' FUNDS		387	180

The 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 on 28 February 2020 and were signed on its behalf by:

....
S Jones - Director

The notes form part of these financial statements

Interserve Developments No.6 Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	-	420	420
Changes in equity			
Total comprehensive income	-	(240)	(240)
Balance at 31 December 2017	-	180	180
Changes in equity			
Total comprehensive income	-	207	207
Balance at 31 December 2018	-	387	387

The notes form part of these financial statements

1. STATUTORY INFORMATION

Interserve Developments No.6 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation
Interserve Developments No.6 Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operation and its principal activities are set out in the directors' report on pages 2 to 4.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis.

Details of the parent whose consolidated financial statements the company is included in are shown in note 11 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share based payment, non-current assets held for sale, financial instruments, capital measurement, presentation of comparative information in respect of certain assets, presentation of a cashflow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Interserve Plc.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There has been no quantitative impact on the Company upon adoption of IFRS 9.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. There has been no quantitative impact on the Company upon adoption of IFRS 15.

IFRS 16 will replace IAS 17 Leases. It will become effective for accounting periods on or after 1 January 2019. It will require nearly all leases to be recognised on the balance sheet as liabilities, including those currently recognised as operating leases, with corresponding assets being created. The Company has assessed that there will be no quantitative impact on the Company upon adoption of IFRS 16.

Turnover
Turnover is recognised over time and comprises the value of work executed excluding VAT and other sales related taxes, in respect of fees received from property redevelopment and also from the sale of property & the recovery of costs associated with holding the property prior to sale.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of total comprehensive income 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) or other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the Statement of total comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

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2. **ACCOUNTING POLICIES - continued**

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due in the 22 month period to 31 December 2021 ("the going concern review period"). Based on current forecasts and taking into account existing cash and debt facilities of Interserve Group Limited and its subsidiary undertakings (together "the Group"), the Directors expect the Company to have sufficient liquidity to meet its funding requirements during the going concern review period.

The Company became a subsidiary of Interserve Group Limited following the deleveraging completed in March 2019. Our assessment of the going concern status of the Company is reliant upon the going concern status of the Group as a whole.

Following the appointment of Administrators to Interserve Plc in March 2019, the Group's Construction business lost a number of contracts previously awarded on a preferred bidder basis. The loss of these volumes coupled with the identification of cost overruns on certain legacy contracts gave rise to a material cash out flow from the Group in 2019.

Since the deleveraging, the Group and Divisional management teams have been strengthened including a new Group Board, Chairman and CFO and a revised reporting structure put in place. Additional funding facilities of £39 million and £125 million were put in place in October 2019 and February 2020 respectively to re-establish a stable financial platform from which to grow the business and to ensure good liquidity over the medium term.

When considering the going concern assumption, the Directors have considered a number of factors, including written support obtained from Interserve Group Limited covering the going concern review period, information provided to them in relation to the Group's trading results, its available resources, the ability of the Group to continue to operate within its financial covenants and the Group's latest forecasts and projections, comprising:

- A Base Case forecast, which has been prepared on a bottom up basis with conservative assumptions regarding new contract wins and settlements on existing contracts; and

- A Weighted Downside Case reflecting reasonably possible adverse variations in performance (including low levels of new work assumed, minimal upside in respect of ongoing settlements and claims (unless the outcome is near certain) and no working capital improvements other than those resulting from a change in business mix).

Whilst the Weighted Downside Case shows lower headroom at certain points, in the forecast period, there are a number of upside opportunities that have not been recognised in either the Base Case or the Weighted Downside Case including better than anticipated settlement and claim outcomes and greater success in securing new work than forecast. In addition, the forecasts include contingencies that may not be required.

The Directors have carefully considered factors which may affect the Group's future performance and financial position in the context of its available resources. Specifically:

- The markets in which the Group operates have been challenging over the last few years, although these markets are now showing signs of recovery.

- The satisfactory close out of legacy liabilities and contracts related to the businesses that the Group has exited from (primarily certain construction markets and Energy from Waste). There could be potential additional costs relating to the exit from these markets, such as continued contract losses or further liabilities resulting from litigation.

continued...

2. **ACCOUNTING POLICIES - continued**

- Following the Group's deleveraging in March 2019, the Group's lenders became the Group's shareholders. The new shareholders are not natural long-term owners and consequently the Group has commenced a strategic review which may result in the disposal of certain parts of the business. While no decisions have been made, it is possible that within the going concern review period disposals are concluded. The impact and materiality on the remainder of the Group of any such disposals and the requirement to repay debt or retire debt facilities with the majority of any disposal proceeds cannot be accurately assessed at this stage. However, the Directors would, in accordance with their statutory duties, naturally engage with other companies within the Group (including Interserve Group Limited) in order to ensure that the remaining Group continued to have access to sufficient financial resources.

- The going concern review period of 22 months is longer than typically considered by private companies. The longer the period under review the more judgmental the forecast and the higher the uncertainties inherent within it.

The Directors have considered the above uncertainties and have concluded that, whilst individually these are not material, collectively they represent a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The Directors have confirmed that, after due consideration, there is a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements.

These financial statements do not include the adjustments that would result if the Group or the Company were unable to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the financial statements, management makes certain judgements and estimates that impact the financial statements. While these judgements are continually reviewed the facts and circumstances underlying these judgements may change resulting in a change to the estimates that could impact the results of the company.

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies.

3. **PROFIT/(LOSS) BEFORE TAXATION**

The company had no employees during the period other than the directors. The directors of the company did not receive any remuneration for their services to the company.

The audit fee for the company of £500 (2017: £500) was borne by the immediate parent company.

4. **TAXATION**

Analysis of tax expense/(income)

	2018	2017
	£'000	£'000
Current tax:		
Corporation Tax	48	(57)
Total tax expense/(income) in statement of total comprehensive income	48	(57)

continued...

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Amounts owed by group undertakings	1,652	1,064
Other debtors	-	709
	1,652	1,773

Amounts owed by group undertakings are interest free, unsecured and repayable on demand

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Corporation tax	42	-
Other creditors	1,223	1,593
	1,265	1,593

7. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2018 £	2017 £
1	Share capital 1	1	1	1

The £1 ordinary share capital remains unpaid at year end and is included within group debtors.

8. RESERVES

	Retained earnings £'000
At 1 January 2018	180
Profit for the year	207
At 31 December 2018	387

9. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under FRS 101 paragraph 8(k) and not disclosed transactions with group undertakings as it is a wholly owned subsidiary of Interserve plc.

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10. POST BALANCE SHEET EVENTS

2019 Deleveraging
On 15 March 2019, an Extraordinary General Meeting of Interserve Plc, Interserve Developments No.6 Limited's then ultimate parent company, rejected the terms of a plan proposed by Interserve Plc's Board of Directors aimed at providing the Group with sufficient liquidity to service its short-term cash obligations, strengthen the balance sheet and improve the overall financial position of the Group (the "Deleveraging Plan" or "Deleveraging"). As a result, the Board of Directors of Interserve Plc applied for Administrators to be appointed over Interserve Plc, following which the majority of that company's assets and liabilities, including all its subsidiaries, were sold to Interserve Group Limited ("IGL"), a new company wholly owned by the Group's existing lenders, and the mechanics of the Deleveraging Plan were implemented.

Under the terms of the Deleveraging Plan, approximately £485 million of financial liabilities owed to the Lenders by Interserve Plc were exchanged for new shares in IGL worth approximately £435 million. At the same time, the RMD Kwikform Group (the "RMDK Group") was ring-fenced within the newly consolidated Group, and was allocated £350 million of the pre-existing debt (£169 million on a cash interest bearing basis and £181 million on a subordinated non-cash interest bearing basis). The debt allocated to the RMDK Group under the terms of the Deleveraging Plan is non-recourse to the rest of the restructured Group and matures in 2023.

Impact of 2019 Deleveraging

Support Services
The Group's Support Services businesses, which include Interserve Developments No.6 Limited have refocused their portfolio towards strategic markets and capabilities and exited a number of low margin contracts in the High Street Retail FM and non-core sectors, improving overall working capital and margins. The division now has greater certainty of revenues and cash flows from predominantly government backed long term contracts.

Construction
Shortly after the Deleveraging, a detailed contract review was undertaken following which a number of material contracts were written down as projects were determined to be more costly and time consuming to complete than previously estimated. The Group's exposure to these contracts (which were primarily within the London region and the Strategic Projects business) drove a significant cash outflow in 2019 although as the contracts are completed any residual cash flow risk is minimised. The business has been re-sized as a result of exiting from these markets and is now focused on its core strengths of framework based public sector and infrastructure work.

Energy from Waste
The Group materially reduced its exposure to the Energy from Waste sector in 2019. As at the date of this report, future cash flows are predominantly linked to two contracts, Derby and Glasgow.

- Notice of termination was received on the Derby contract during August 2019 and Administrators were appointed to the project company (Resource Recovery Solutions (Derbyshire) Limited ('RRS')) shortly afterwards. The Group is co-operating with the Administrators of RRS to maximise the Compensation on Termination payable and eliminate any residual liability to the Group.

- During December 2019, the Group received a £15m payment on account resulting from a successful claim under its PI insurance policy relating to the Derby contract. The Directors anticipate further receipts in 2020, although these will be required to be applied in mandatory prepayment and / or cancellation of the Group's facilities under the terms of the relevant Finance Documents.

- Service Commencement of the Glasgow plant was announced by Viridor on 28 January 2019. A dispute of the final account has been initiated and following an adjudication in April 2019 the matter has now been referred to arbitration. We expect this arbitration to be heard in March 2021, with an award to follow later in the year, and not before June 2021. The Directors' view, based on the results of the adjudication decision in April 2019 and legal advice received to date is that the liability is between £nil and £33.5m and that the risk of an outcome that results in a cash settlement significantly in excess of this is considered remote.

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New Loan Facilities
Since 31 December 2018, additional loan facilities of £285m have been committed (which includes the £39m and £125m loan facilities that were put in place in October 2019 and February 2020 respectively) to re-establish a stable financial platform from which to grow the business and to ensure good liquidity over the medium term.

The Group's financial covenant package comprises a minimum liquidity covenant and a minimum EBITDA covenant. The Group is forecasting to comply with both sets of covenants in the period to 31 December 2021.

11. ULTIMATE CONTROLLING PARTY

Interserve Investments Limited, a company registered in England & Wales, is the company regarded by the directors as the immediate parent company.

As at 31 December 2018, Interserve plc, a company registered in England & Wales was the company regarded by the directors as the ultimate parent company and controlling party and was the smallest and largest group for which group financial statements were prepared. A copy of the financial statements of Interserve plc can be obtained via the Interserve website at www.interserve.com

As a consequence of Interserve plc falling into administration on 15 March 2019, prior to the signing of these accounts, Interserve Group Limited was formed and purchased the trading assets and all of Interserve plc subsidiary companies as at this date and is now the company regarded by the directors as the ultimate parent company.