

REGISTERED NUMBER: 00074643 (England and Wales)

Annual Report and
Financial Statements for the Period 1 January 2020 to 30 June 2021
for
Interserve Investments Limited

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Interserve Investments Limited (Registered number: 00074643)

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for the Period 1 January 2020 to 30 June 2021

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Interserve Investments Limited

Company Information
for the Period 1 January 2020 to 30 June 2021

DIRECTORS:

C J Edwards
J M White

REGISTERED OFFICE:

Capital Tower
91 Waterloo Road
London
SE1 8RT

REGISTERED NUMBER:

00074643 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Victoria House
4th Floor
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Interserve Investments Limited (Registered number: 00074643)

Strategic Report
for the Period 1 January 2020 to 30 June 2021

The directors present their strategic report for the period 1 January 2020 to 30 June 2021.

PRINCIPAL ACTIVITIES

The company acts as a holding company for its remaining active PFI JV Investments.

There has not been any significant change in the Company's principal activity in the period under review but the directors however intend to dissolve the company by the end of 2023.

REVIEW OF BUSINESS

In the year the company made a profit of £1,122,000 (2019: loss of £145,149,000).

The company's operations are managed under the supervision of its directors and closely monitored by Interserve Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

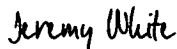
The principal risk that the Company faces is that the carrying value of its investments decline. The directors carry out reviews of the Company's operating subsidiaries on an annual basis to determine if any impairments have occurred.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual Report and Financial Statements of Interserve Group Limited for the period ended 30 June 2021, which does not form part of this Strategic Report.

GOING CONCERN

The directors have assessed the going concern status of the company and have concluded that given that the company no longer has access to any financial support from the Interserve Group to enable it to meet its liabilities as they fall due and the directors intend to dissolve the company by the end of 2023, it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date.

ON BEHALF OF THE BOARD:



J M White - Director

20 January 2023

Interserve Investments Limited (Registered number: 00074643)

Directors' Report
for the Period 1 January 2020 to 30 June 2021

The directors present their annual report and the audited financial statements for the period ended 30 June 2021.

The principal risks and uncertainties of the company are not included within the Report of the Directors as they are shown in the Strategic Report on page 2.

PRINCIPAL ACTIVITIES

DIVIDENDS

An interim dividend of £nil was paid during the period (2019: £nil) and the directors do not recommend a final dividend (2019: £nil).

DIRECTORS

The directors who have held office during the period from 1 January 2020 to the date of this report are as follows:

R Goyal - resigned 31 July 2020
S Jones - resigned 30 June 2020
J H Downman - appointed 30 June 2020 - resigned 23 June 2021
A J McDonald - appointed 12 October 2020 - resigned 4 February 2021
C J Edwards - appointed 3 February 2021
J M White - appointed 22 June 2021

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.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and 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 International Financial Reporting Standards (IFRS) in conformity with the Companies Act 2006. 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;
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (as explained in the strategic report the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 auditors are aware of that information.

Interserve Investments Limited (Registered number: 00074643)

Directors' Report
for the Period 1 January 2020 to 30 June 2021

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment for the next accounting period.

ON BEHALF OF THE BOARD:

Jeremy White

J M White - Director

20 January 2023

**Independent Auditors' Report to the Members of
Interserve Investments Limited**

Opinion

We have audited the financial statements of Interserve Investments Limited (the 'Company') for the period from 1 January 2020 to 30 June 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

Emphasis of Matter – Financial Statements prepared on a basis other than going concern

We draw your attention to Note 2 to the financial statements, which sets out that, given that the company has net liabilities, no longer has access to any financial support from the Interserve Group to enable it to meet its liabilities as they fall due and the directors intend to dissolve the company in the early part of 2023, it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes, where applicable, writing the company's asset down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date. Our opinion is not modified in respect of this matter.

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 in 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 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 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 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.

Independent Auditors' Report to the Members of
Interserve Investments Limited

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.

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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant legal and regulatory frameworks are those that relate to the reporting framework, namely IFRS and compliance with the Companies Act, 2006
- We understood how the Company is complying with those frameworks by making inquiries of management and those charged with governance. We corroborated our inquiries through inspection of Board meeting minutes. We considered the results from our other tests to identify instances of non-compliance.

Independent Auditors' Report to the Members of
Interserve Investments Limited (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved contacting the entity's legal representatives to obtain confirmation of any non-compliance with laws and regulations.
- Our audit procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagement of a similar nature and complexity through appropriate training and participation
 - Knowledge of the industry in which the client operates
 - Understanding of the legal and regulatory requirements specific to the Company including:
 - The provisions of the applicable legislation
 - The regulator's rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - The applicable statutory provisions
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The applicable statutory provisions.

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
Charlotte Anderson BSc FCA

Senior Statutory Auditor
for and behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Victoria House, 4th Floor,
199 Avebury Boulevard,
Milton Keynes
MK9 1AU
20 January 2023

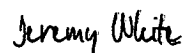
Interserve Investments Limited (Registered number: 00074643)Statement of Profit or Loss and Other Comprehensive Income
for the Period 1 January 2020 to 30 June 2021

	Notes	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
CONTINUING OPERATIONS			
Revenue		-	1,636
Cost of sales		<u>-</u>	<u>2,782</u>
GROSS PROFIT		-	4,418
Administrative expenses		<u>(21)</u>	<u>(66)</u>
OPERATING (LOSS)/ PROFIT BEFORE EXCEPTIONAL ITEMS		(21)	4,352
Exceptional items	4	<u>(4,879)</u>	<u>(152,523)</u>
OPERATING LOSS		(4,900)	(148,171)
Finance income	5	<u>7,485</u>	<u>4,890</u>
PROFIT/(LOSS) BEFORE TAXATION	6	2,585	(143,281)
Taxation	7	<u>(1,463)</u>	<u>(1,868)</u>
PROFIT/(LOSS) FOR THE PERIOD		1,122	(145,149)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>1,122</u>	<u>(145,149)</u>

Interserve Investments Limited (Registered number: 00074643)**Statement of Financial Position**
30 June 2021

	Notes	2021 £'000	2019 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	8	7,867	7,867
Deferred tax	10	<u>2</u>	<u>2</u>
		<u>7,869</u>	<u>7,869</u>
CURRENT ASSETS			
Trade and other receivables	9	3,128	9,085
Cash and cash equivalents	11	<u>8,813</u>	<u>4,538</u>
		<u>11,941</u>	<u>13,623</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	18,088	19,112
Tax payable		<u>513</u>	<u>2,293</u>
		<u>18,601</u>	<u>21,405</u>
NET CURRENT LIABILITIES		<u>(6,660)</u>	<u>(7,782)</u>
NET ASSETS		<u>1,209</u>	<u>87</u>
SHAREHOLDERS' EQUITY			
Called up share capital	13	1,233	1,233
Share premium	14	20,950	20,950
Retained earnings	14	<u>(20,974)</u>	<u>(22,096)</u>
TOTAL EQUITY		<u>1,209</u>	<u>87</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 January 2023 and were signed on its behalf by:



J M White - Director

Interserve Investments Limited (Registered number: 00074643)Statement of Changes in Equity
for the Period 1 January 2020 to 30 June 2021

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2019	1,233	123,053	20,950	145,236
Changes in equity				
Total comprehensive loss	-	(145,149)	-	(145,149)
Balance at 31 December 2019	1,233	(22,096)	20,950	87
Changes in equity				
Total comprehensive income	-	1,122	-	1,122
Balance at 30 June 2021	1,233	(20,974)	20,950	1,209

Interserve Investments Limited (Registered number: 00074643)Statement of Cash Flowsfor the Period 1 January 2020 to 30 June 2021

	Notes	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Cash flows from operating activities			
Net cash from operating activities	16	<u>(1,874)</u>	<u>(4,549)</u>
Cash flows from investing activities			
Interest received		6,149	4,095
		<u>6,149</u>	<u>4,095</u>
Increase/ (decrease) in cash and cash equivalents		4,275	(454)
Cash and cash equivalents at beginning of period		<u>4,538</u>	<u>4,992</u>
Cash and cash equivalents at end of period		<u>8,813</u>	<u>4,538</u>

Interserve Investments Limited (Registered number: 00074643)

Notes to the Financial Statements
for the Period 1 January 2020 to 30 June 2021

1. **STATUTORY INFORMATION**

Interserve Investments 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

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

First time adoption of IFRS

The Company has adopted IFRS as of the 1st January 2020. Previously the financial statements were prepared under FRS 101- Reduced Disclosure Framework and as there are no major differences in terms of recognition and measurements principles, there were no adjustments to prior numbers as a result of the adoption.

As a result of previously reporting in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' the prior year financial statements did not include a cash flow statement but this information is now presented as comparative figures in the current period cash flow statement.

The Company has extended its year end reporting date from 31 December 2020 to 30 June 2021 in order to provide additional time to reflect the impact of decisions made about the future of the business. As a result, the comparative figures for the twelve months ended 31 December 2019 shown in these accounts are not comparable with the current eighteen-month reporting period

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Going concern

The directors have assessed the going concern status of the company and have concluded that given that the company no longer has access to any financial support from the Interserve Group to enable it to meet its liabilities as they fall due and the directors intend to dissolve the company by the end of 2023, it is not appropriate to prepare these financial statements for the period ended 30 June 2021 on a going concern basis. Accordingly, the directors have prepared the financial statements on a basis other than the going concern basis of preparation. This basis includes where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business as no such costs were committed at the reporting date.

Basis of consolidation

The financial statements contain information about Interserve Investments Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Interserve Group Limited.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Interserve Investments Limited (Registered number: 00074643)

Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021

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.

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**2. ACCOUNTING POLICIES - continued****Exceptional items**

Exceptional items are those that the company consider to be non-recurring and significant in size or nature.

Fixed Asset investments

Investments in Joint Venture undertakings are stated at cost less provision for any permanent impairment in value. Income from fixed asset investments represents distributions received from investments and interest received on loans made to fixed assets investments. Distributions are recognised when the company becomes entitled to receipt which is typically on receipt of the distribution. Interest received is recognised on an accrual basis.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised costs 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 market rate interest.

Basic financial liabilities, including trade and other payables, bank loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are present as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Contingent liabilities

Contingent liabilities are disclosed in the notes to the financial statements in respect of guarantees given to the Interserve Group's subsidiaries and associated undertakings. Due to the nature of the guarantees, it would be difficult to reliably measure the Company's potential obligation. As the Company considers it unlikely that there will be a requirement to make a financial settlement of these guarantees, no liability has been recognised in the financial statements.

Impairment of financial assets

IFRS 9 impairment requires the use of more forward looking information to evaluate expected credit losses. The new standards expected credit loss model (ECL) replaces IAS 39's incurred loss model. Instruments within the scope of IFRS 9 included loans measured at amortised cost, trade receivables and contract assets recognised and measured under IFRS 15.

Recognition of credit losses is no longer reliant on the group first identifying a credit loss event but instead the company considers a wider range of information when assessing credit risk and measuring expected credit losses. This information includes past events, current conditions and reasonable forecasts in respect of the collectability of future cash flows of the instruments.

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. In particular:

Carrying value of Investment in Joint venture undertakings

The requirement or not for any impairment of Investments is made based on market knowledge and past experience of the saleability of the Investments.

Carrying value of amounts owed by group undertakings

The recoverability of balances due from Group subsidiaries requires a review of those companies' balance sheets to determine if they have the means to repay the balances. The carrying amount of these balances at the balance sheet date was £348k (2019: £7,434k) after impairments of £5,813k (2019: £136,517k) recognised in the period.

Interserve Investments Limited (Registered number: 00074643)**Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021****3. EMPLOYEES AND DIRECTORS**

The company had no employees during the period (2019: Nil) other than the directors. The directors of the company did not receive any remuneration (2019: £Nil) for their services to the company.

4. EXCEPTIONAL ITEMS

	Period to 30 June 2021 £'000	Year ended 31 Dec 2019 £'000
Summary		
Impairment/forgiveness of intercompany balances	(5,813)	(153,547)
Cost of redundancies	-	(122)
Costs allocated for an Energy from Waste contract (Derby PFI)	-	(169)
Costs allocated for group resource on disposal activities	-	(100)
(Adjust)/write back of Haymarket provisions no longer required	(21)	1,415
Release accruals and payables no longer required	<u>955</u>	<u>-</u>
	<u>(4,879)</u>	<u>(152,523)</u>

Impairments of £5,813k for the current period relate to Interserve Service Futures Ltd. The impairment/forgiveness provision of £153,547k in 2019 related to the impairment of Interserve Finance Ltd balances (£136,517k) and the forgiveness of an intercompany receivable due from Interserve Developments No 4 Ltd (£17,030k).

5. FINANCE INCOME

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Other participating interests	1,347	794
Group interest income	<u>6,138</u>	<u>4,096</u>
	<u>7,485</u>	<u>4,890</u>

6. PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before taxation is stated after charging:

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Auditors' remuneration	<u>21</u>	<u>9</u>

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**7. TAXATION****Analysis of tax charge**

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Current tax:		
Corporation Tax	<u>1,463</u>	<u>1,868</u>
Total tax charge in statement of profit or loss and other comprehensive income	<u>1,463</u>	<u>1,868</u>

Factors affecting the tax expense

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

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Profit/(loss) before income tax	<u>2,585</u>	<u>(143,281)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	491	(27,223)
Effects of:		
Adjustment in respect of prior periods	(136)	21
Permanent differences	4	(1)
Non-taxable impairment of connected party loans	1,104	-
Fundamental reorganisation cost not tax deductible	<u>-</u>	<u>29,071</u>
Tax charge	<u>1,463</u>	<u>1,868</u>

The company has been advised that Group tax relief is available and that payment will be made at the standard rate of 19% (2019: 19%) of the amount of tax losses surrendered. During the period, the applicable rate of corporation tax was 19% which is expected to remain until 1 April 2023. From 1 April 2023, the main rate of corporation tax will increase to 25% applying to taxable profits over £250,000. As such, the company expects to pay tax at this higher rate in the future.

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**8. INVESTMENTS****Investment in joint venture and subsidiary undertakings**

	2021	2019
Summary	£'000	£'000
Investment in joint ventures	7,866	7,866
Investment in subsidiaries	<u>1</u>	<u>1</u>
	<u>7,867</u>	<u>7,867</u>

Investments in joint venture undertakings

	Shares at cost and net book value £'000	Loans £'000	Total £'000
As at 1 January 2020 and 30 June 2021	<u>1</u>	<u>7,865</u>	<u>7,866</u>

In the opinion of the directors, the aggregate value of shares in principal undertakings is not less than the aggregate of the amounts at which they are stated in the balance sheet.

The joint venture undertakings and the percentage of ownership are set out below. None of the shares related to a listed investment. All undertakings were incorporated in the United Kingdom.

Directly owned	Principal Activity	Note	Country of Incorporation	Proportion of Ordinary Shares Held
Harmondsworth Detention Services Limited	Holding Company	A #1	United Kingdom	49%
Seacole National Centre (Holding) Limited	Holding Company	B #2	United Kingdom	50%
HLR Schools Holding Limited	Holding Company	B #3	United Kingdom	50%

The company's share of the aggregate of the share capital and reserves as at 30 June 2021 and the profit or loss for the period ended on that date for the Joint Venture undertakings was as follows:

	Aggregate of share capital and reserves £'000	Share of Profit £'000
Harmondsworth Detention Services Limited	-	-
Seacole National Centre (Holding) Limited	(2,759)	5
HLR Schools Holding Limited	542	135

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**8. INVESTMENTS - continued**

Indirectly owned	Principal Activity	Note	Country of Incorporation	Proportion of Ordinary Shares Held
Resource Recovery Solutions (Derbyshire) Holdings Limited - In Administration	Holding Company	#7	United Kingdom	50%
Rehab Jobfit LLP	Jobseeker support	#1	United Kingdom	49%
HLR Schools Company Limited	School/ college construction/operation	B #3	United Kingdom	50%
Alder Hey Holdco 1 Limited	Holding Company	#4	United Kingdom	20%
Alder Hey Holdco 2 Limited	Holding Company	#4	United Kingdom	20%
Alder Hey Holdco 3 Limited	Holding Company	#4	United Kingdom	20%
Alder Hey (Special Purpose Vehicle) Ltd	Hospital construction and operation	#4	United Kingdom	20%

Investments in subsidiary undertakings

	Shares at cost £'000
Cost and net book value	
As at 1 January 2020	1
	<hr/>
As at 30 June 2021	1
	<hr/>

Directly owned	Principal Activity	Note	Country of Incorporation	Proportion of Ordinary Shares Held
Interserve Developments No 1 Limited	Holding Company	#1	United Kingdom	100%
Interserve Developments No 2 Limited	Holding Company	#1	United Kingdom	100%
Interserve Developments No 3 Limited	Holding Company	C #1	United Kingdom	100%
Interserve Developments No 4 Limited	Holding Company	#1	United Kingdom	100%
Interserve Developments No 6 Limited	Holding Company	D #1	United Kingdom	100%
Interserve Strategic Partnerships Limited	Dormant	A #1	United Kingdom	100%
Purple Futures LLP	Holding Company	C #1	United Kingdom	100%
Interserve Service Futures Holdings Limited	Holding Company	#1	United Kingdom	100%

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**8. INVESTMENTS – continued**

Indirectly owned	Principal Activity	Note	Country of Incorporation	Proportion of Ordinary Shares Held
Interserve Service Futures Limited	Management company	#1	United Kingdom	100%
Triangle Training Holdings Limited	Holding Company	#1	United Kingdom	100%
Broomco (4110) Limited	Dormant	#1	United Kingdom	100%
Triangle Training Limited	Training and development	#1	United Kingdom	100%
ESG (Saudi Arabia) LLC	Training and development	#5	Saudi Arabia	100%
Orient Gold Limited	Dormant	#1	United Kingdom	100%
The Cheshire and Greater Manchester Community Rehabilitation Company Ltd	Probation and rehabilitation services	C #1	United Kingdom	80%
The Hampshire and Isle of Wight Community Rehabilitation Company Ltd	Probation and rehabilitation services	C #1	United Kingdom	80%
The Humberside, Lincolnshire and North Yorkshire Community Rehabilitation Company Ltd	Probation and rehabilitation services	C #1	United Kingdom	80%
The Merseyside Community Rehabilitation Company Ltd	Probation and rehabilitation services	C #1	United Kingdom	80%
The West Yorkshire Community Rehabilitation Company Ltd	Probation and rehabilitation services	C #1	United Kingdom	80%
Edinburgh Haymarket Developments Limited	Property Company	#6	United Kingdom	100%

Notes

- A Dissolved post period end
 B Disposed of post period end
 C Members voluntary liquidation process commenced post period end
 D Strike off process commenced post period end

Registered Offices Addresses

- #1 Capital Tower, 91 Waterloo Road, London SE1 8RT
 #2 The Jack Copland Centre, 52 Research Avenue North, Edinburgh EH14 4BE
 #3 10 St. Giles Square, London WC2H8AP
 #4 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
 #5 ESG Alkhobar Girl's Technical College, Azizyah Alkhobar 34724 Saudi Arabia
 #6 Interserve House, Almondview Business Park, Livingston EH54 6SF
 #7 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**9. TRADE AND OTHER RECEIVABLES**

	2021 £'000	2019 £'000
Current:		
Trade debtors	-	218
Amounts owed by joint ventures	2,780	1,433
Intra Group trade balances	142,678	143,951
Intra Group trade provisions	<u>(142,330)</u>	<u>(136,517)</u>
	<u>3,128</u>	<u>9,085</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand. For details of the intra group trade provisions see related party note 17.

10. DEFERRED TAX ASSET

	2021 £'000	2019 £'000
Accelerated capital allowances	<u>2</u>	<u>2</u>
Deferred tax asset	<u>2</u>	<u>2</u>

The movement in deferred tax in the period is:

	£'000
As at 1 January 2020	2
Profit and loss account	<u>-</u>
As at 30 June 2021	<u>2</u>

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**11. CASH AND CASH EQUIVALENTS**

	2021 £'000	2019 £'000
Cash in hand	<u>8,813</u>	<u>4,538</u>

12. TRADE AND OTHER PAYABLES

	2021 £'000	2019 £'000
Current:		
Trade creditors	-	291
Social security and other taxes	-	5
Intra group trade balances	18,046	17,885
Accruals and deferred income	<u>42</u>	<u>931</u>
	<u>18,088</u>	<u>19,112</u>

The intra group trade balances are interest free and repayable on demand.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2019
Number:	Class:	Nominal value:	£'000	£'000
1,232,854	Ordinary shares	1	<u>1,233</u>	<u>1,233</u>

14. RESERVES

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2020	(22,096)	20,950	(1,146)
Profit for the period	<u>1,122</u>	<u>-</u>	<u>1,122</u>
At 30 June 2021	<u>(20,974)</u>	<u>20,950</u>	<u>(24)</u>

Interserve Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**15. CONTINGENT LIABILITIES**

At 30 June 2021 there were contingent liabilities in respect of guarantees given in the ordinary course of business. The company has given guarantees covering banking facilities made available to the parent and fellow subsidiary undertakings. At 30 June 2021 these amounted to £195,597k (2019: £323,726k).

Due to the nature of the guarantees, it would be difficult to reliably measure the Company's potential obligation. As the Company considers it unlikely that there will be a requirement to make a financial settlement of these guarantees, no liability has been recognised in the financial statements.

16. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.1.20 to 30.6.21 £'000	Year Ended 31.12.19 £'000
Operating activities		
Total operating loss	(4,900)	(148,171)
 Non-cash impairment items	 5,813	 153,547
	<hr/>	<hr/>
Operating cash flows before movements in working capital	913	5,376
Decrease/(increase) in receivables	1,480	(187)
(Decrease) in payables	<u>(1,024)</u>	<u>(9,738)</u>
Cash generated from/(used by) operations	1,369	(4,549)
Taxes (paid)	<u>(3,243)</u>	<u>-</u>
	<hr/>	<hr/>
Cash used by operations	<u>(1,874)</u>	<u>(4,549)</u>

Investments Limited (Registered number: 00074643)Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021**17. RELATED PARTY DISCLOSURES****Debtors**

	30 June 2021 £'000			31 December 2019 £'000		
	Gross debtor balance	Impairment provision	Net debtor balance	Gross debtor balance	Impairment provision	Net debtor balance
Related Party						
Fellow Subsidiaries						
Interserve Finance Limited	136,856	(136,517)	339	136,865	(136,517)	348
Interserve Service Futures Ltd	5,822	(5,813)	9	6,822	-	6,822
Interservefm Ltd	-	-	-	262	-	262
Interserve (Facilities Management) Ltd	-	-	-	1	-	1
Interserve Working Futures Ltd	-	-	-	1	-	1
	<u>142,678</u>	<u>(142,330)</u>	<u>348</u>	<u>143,951</u>	<u>(136,517)</u>	<u>7,434</u>
Joint Ventures						
Seacole National Centre Ltd	754	-	754	426	-	426
HLR Schools Ltd	<u>2,026</u>	<u>-</u>	<u>2,026</u>	<u>1,007</u>	<u>-</u>	<u>1,007</u>
	<u>2,780</u>	<u>-</u>	<u>2,780</u>	<u>1,433</u>	<u>-</u>	<u>1,433</u>

Creditors

	30 June 2021 £'000 Creditor balance	31 December 2019 £'000 Creditor Balance
Related Party		
Fellow Subsidiaries		
Interserve Developments No. 1 Ltd	2,469	2,057
Interserve Developments No. 2 Ltd	520	500
Interserve Developments No. 3 Ltd	225	225
Interserve Developments No. 6 Ltd	483	735
Purple Futures LLP	14,349	14,349
Interserve Building Ltd	<u>-</u>	<u>19</u>
	<u>18,046</u>	<u>17,885</u>

Interserve Investments Limited (Registered number: 00074643)

Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021

18. POST BALANCE SHEET EVENTS

Since the balance sheet date, Interserve Group Limited management has been working with its external advisers to implement a Corporate Resolution Plan to enable an orderly dissolution over time of most of the remaining subsidiaries of the Interserve Group and this exercise is currently still ongoing.

19. ULTIMATE CONTROLLING PARTY

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

The company's ultimate parent company and controlling party and parent company of the smallest and largest group which includes the company for which group financial statements are prepared is Interserve Group Limited, a company incorporated in the United Kingdom and registered in England & Wales. Copies of the group financial statements of Interserve Group Limited are available from Interserve Group Limited, Capital Tower, 91 Waterloo Road, London SE1 8RT.

Interserve Investments Limited (Registered number: 00074643)

Notes to the Financial Statements - continued
for the Period 1 January 2020 to 30 June 2021

Reconciliation of equity and profit at
1 January 2020

The Company has adopted IFRS as of the 1st January 2020. Previously the financial statements were prepared under FRS 101 – Reduced Disclosure Framework.

There was no impact on either the Company's equity or its profit arising from transitioning from FRS 101 to IFRS as at 1st January 2020.