

REGISTERED NUMBER: 03296218 (England and Wales)

Annual Report and
Financial Statements for the Year Ended 31 December 2019
for
Orient Gold Limited



Orient Gold Limited

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for the Year Ended 31 December 2019

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Orient Gold Limited

Company Information
for the Year Ended 31 December 2019

DIRECTOR:

J H Downman

REGISTERED OFFICE:

Capital Tower
91 Waterloo Road
London
SE1 8RT

REGISTERED NUMBER:

03296218 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
St Johns House
Haslett Avenue West
Crawley
RH10 1HS

Orient Gold Limited

Report of the Director
for the Year Ended 31 December 2019

The directors present their annual report and audited financial statements for the year ended 31 December 2019.

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 in the year under review was that of a holding company for the 1% Investment in ESG (Saudi Arabia) LLC.

REVIEW OF BUSINESS

The results of the company are as set out in the accounts on page 7.

No interim dividend was paid during the year (2018: £nil) and the director does not recommend a final dividend (2018: £nil). A Loss of £826 (2018: £nil) has been transferred to reserves.

DIRECTORS

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

C Peel - resigned 30 June 2019

G Scott - appointed 4 November 2019

J H Downman was appointed as a director after 31 December 2019 but prior to the date of this report.

G Scott, L Gowens and S Jones ceased to be directors after 31 December 2019 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.

Orient Gold Limited

Report of the Director
for the Year Ended 31 December 2019

GOING CONCERN

The Directors assessment of the going concern status of the Company is reliant upon the going concern status of the Group as a whole. Based on information provided to the Directors by the Interserve Group Limited and its subsidiary undertakings (together "the Group") in relation to the Group's trading results, its available cash and debt facilities, its ability to continue to operate within its financial covenants and its latest financial forecasts and projections, the Directors expect the Company to have sufficient liquidity to meet its funding requirements during the going concern review period of 12 months to 28 February 2022.

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 risks arising from the current COVID-19 pandemic and its potential implications to the broader global economic climate which could impact our ability to win new work and cause delays in the delivery of our existing projects.
- The satisfactory close out of legacy liabilities in relation to Glasgow EfW within a level covered by existing facilities and the likelihood of a commercial settlement or an arbitration outcome occurring within the going concern period of the next twelve months.
- Following the disposal of the Group's Support Services business in November 2020, the Group continues to review options for further disposals. Although no decisions have been made, it is possible that further disposals could be made within the going concern review period. The impact 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 as part of any decision making process. The Directors consider it implausible that a disposal would be approved that resulted in the going concern basis of preparation no longer being appropriate. However, it is plausible that available liquidity headroom could be reduced as a result of such a disposal.

While the Group's Downside Case forecast which reflects reasonably possible adverse variations in performance arising from lower new order intake due to less work available and increased competition, further COVID-19 related delays to delivering and completing existing contracts, increases in working capitalisation and delays in achieving central cost savings, indicates sufficient liquidity and compliance with covenants, the Directors have identified, via their reverse stress testing, various plausible but severe combinations of adverse events which, in combination, could lead to a shortfall in liquidity within the assessment period. As such, the Directors have concluded that, although the uncertainties identified are not individually material, in combination under a severe and plausible set of scenarios 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.

Orient Gold Limited

Report of the Director
for the Year Ended 31 December 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 director confirms that

- so far as she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- she has taken all the steps that she ought to have taken as a director in order to make herself 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 for the next accounting period.

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:

J H Downman

.....
J H Downman - Director

Date: 26 February 2021

Independent Auditors' Report to the Members of
Orient Gold Limited

Opinion

We have audited the financial statements of Orient Gold Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the 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 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.

Material uncertainty related to going concern

We draw attention to Note 2 – Going concern in 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- Going concern, a number of uncertainties have been identified across the Group. The Directors have concluded that whilst individually these uncertainties are not material, in combination under a severe and plausible set of scenarios they represent a material uncertainty that 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.

Independent Auditors' Report to the Members of
Orient Gold Limited

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 4, 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.



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

Date: 26 February 2021

Orient Gold LimitedStatement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	2019 £'000	2018 £'000
TURNOVER		— -	— -
OPERATING PROFIT		-	-
Impairment of Investment	4	— (1)	— -
LOSS BEFORE TAXATION	5	(1)	-
Tax on loss	6	— -	— -
LOSS FOR THE FINANCIAL YEAR		(1)	-
OTHER COMPREHENSIVE INCOME		— -	— -
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		— (1)	— -

The notes form part of these financial statements

Orient Gold Limited (Registered number: 03296218)Statement of Financial Position31 December 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	7	-	1
CREDITORS			
Amounts falling due within one year	8	____(1)	____(1)
NET CURRENT LIABILITIES		____(1)	____(1)
TOTAL ASSETS LESS CURRENT LIABILITIES		____(1)	____-
CAPITAL AND RESERVES			
Called up share capital	9	3	3
Capital redemption reserve		2	2
Retained earnings	10	____(6)	____(5)
SHAREHOLDERS' FUNDS		____(1)	____-

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 director and authorised for issue on 26 February 2021 and were signed by:

J H Downman

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J H Downman - Director

The notes form part of these financial statements

Orient Gold LimitedStatement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £'000	Retained earnings £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2018	3	(5)	2	-
Changes in equity				
Balance at 31 December 2018	<u>3</u>	<u>(5)</u>	<u>2</u>	<u>-</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Balance at 31 December 2019	<u><u>3</u></u>	<u><u>(6)</u></u>	<u><u>2</u></u>	<u><u>(1)</u></u>

The notes form part of these financial statements

Orient Gold Limited

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

1. STATUTORY INFORMATION

Orient Gold 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

Orient Gold 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 report of the directors 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 13 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 Group Limited.

IFRS 16 replaced IAS 17 Leases and became effective for accounting periods on or after 1 January 2019. It requires nearly all leases to be recognised on the balance sheet as liabilities, including those currently recognised as operating leases, with corresponding assets being created. There has been no quantitative impact on the Company upon adoption of IFRS 16.

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 12 month period to 28 February 2022 ("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.

As a consequence of group banking arrangements to which this company is a party, our assessment of the going concern status of the Company is reliant upon the going concern status of the Group as a whole.

Orient Gold LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**2. ACCOUNTING POLICIES - continued**

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. The Group has since sold its FM services business to Mitie during November 2020 for £105 million and a 17.5% equity share in Mitie's business. The majority of these proceeds were used to repay existing borrowing facilities with an appropriate balance retained for working capital purposes. Following the disposal of the FM services business the Group's financial covenants have been reset with appropriate headroom to reflect the size of the remaining businesses.

When considering the appropriateness of the going concern basis of preparation, the Directors have reviewed a number of factors, including 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;
- A Downside Case reflecting reasonably possible adverse variations in performance including:
 - lower new orders reflecting less work available and increased competition;
 - the impact of further COVID 19 related delays in delivering and completing existing contracts, and;
 - increases in working capital utilisation and delays in achieving central cost savings.
- A Reverse Stress Test that looks to identify scenarios that would give rise to a liquidity shortfall such that the Group could no longer be considered a going concern and then assess the likelihood of each of these severe but plausible downsides arising. These stress tests included increased market competition in UK Construction, additional costs of settling the Glasgow Energy for Waste dispute and delays in the delivery of central cost savings.

Although the Group's Downside Case shows lower headroom at certain points in the forecast period, it demonstrates sufficient liquidity to absorb these risks while complying with the Group's financial covenants. In addition, there are a number of upside opportunities that have not been recognised in either the Base Case or the Downside Case including better than anticipated settlement and claim outcomes and greater success in securing new work than forecast. Further, the forecasts include contingencies that may not be required. The Directors therefore consider that the Downside Case, in isolation, represents a severe and plausible scenario where nonetheless no covenant breach or exhaustion of available liquidity occurs.

Orient Gold Limited

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

2. ACCOUNTING POLICIES - continued

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 risks arising from the current COVID-19 pandemic and its potential implications to the broader global economic climate which could impact our ability to win new work and cause delays in the delivery of our existing projects.
- The satisfactory close out of legacy liabilities in relation to Glasgow EfW within a level covered by existing facilities and the likelihood of a commercial settlement or an arbitration outcome occurring within the going concern period of the next twelve months.
- Following the disposal of the Group's Support Services business in November 2020, the Group continues to review options for further disposals. Although no decisions have been made, it is possible that further disposals could be made within the going concern review period. The impact 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 as part of any decision making process. The Directors consider it implausible that a disposal would be approved that resulted in the going concern basis of preparation no longer being appropriate. However, it is plausible that available liquidity headroom could be reduced as a result of such a disposal.

While the Downside Case indicates sufficient liquidity and compliance with covenants, the Directors have identified, via their reverse stress testing, various plausible but severe combinations of adverse events which, in combination, could lead to a shortfall in liquidity within the assessment period. As such, the Directors have concluded that, although the uncertainties identified are not individually material, in combination under a severe and plausible set of scenarios 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.

Orient Gold LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**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 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 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.

Investments

Investments 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.

3. EMPLOYEES AND DIRECTORS

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

The directors received no emoluments in respect of their services to the company (2018: Nil)

4. EXCEPTIONAL ITEMS

	2019 £'000	2018 £'000
Impairment of Investment	<u>(1)</u>	<u>-</u>

5. 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.

Orient Gold LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**6. TAXATION****Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

7. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2019	1
Impairments	<u>(1)</u>
At 31 December 2019	<u>-</u>
NET BOOK VALUE	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>1</u>

The impairment in the period relates to the company's 1% shareholding in ESG (Saudi Arabia) LLC.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to group undertakings	<u>1</u>	<u>1</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£'000	£'000
3,000	Ordinary shares	1	<u>3</u>	<u>3</u>

10. RESERVES

	Retained earnings £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2019	(5)	2	(3)
Deficit for the year	<u>(1)</u>	<u>-</u>	<u>(1)</u>
At 31 December 2019	<u>(6)</u>	<u>2</u>	<u>(4)</u>

Retained earnings represents all current and prior period retained profits and losses.

Capital redemption reserve represents amounts transferred from share capital on redemption of issued shares.

Orient Gold Limited

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

11. 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 Group Limited.

12. POST BALANCE SHEET EVENTS

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.

In an effort to mitigate the impacts of COVID-19, the Interserve Group has implemented business continuity plans with only key front line staff working in its offices and at client contract locations and as far as possible the remainder of its staff working from home which has meant that there has been limited impact on service delivery and operations.

The Group has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor future developments closely. At the date of this report the impact of COVID-19 has predominantly been short term reductions in revenues as a result of customer site closures, reductions in services and delays to commissioning of project work, partially offset by additional services requested in the health sector and some central government customers.

The Group has concluded that the coronavirus pandemic is a non-adjusting post balance sheet event in accordance with IAS 10 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.

On 28 February 2020, £125 million of new Group loan facilities were put in place to re-establish a stable financial platform from which to grow the business and to ensure sufficient liquidity over the medium term.

The Group experienced a cyber incident on 2 May 2020, which had a significant impact on a number of its operating IT systems with the exception of its International and Equipment Services businesses. On becoming aware of the cyber-attack the Group's crisis response was immediately launched and its business continuity plans were implemented. There has been no material impact on the provision of services to customers and as of 24 August 2020 the remediation work carried out had been completed such that the Group believes there is no residual remaining threat as a result of this incident.

The Group conducted a comprehensive investigation in to the attack and has implemented a range of remediation measures in response to the attack and has put in place a programme of additional measures to further enhance its infrastructure, systems and processes. The investigation has identified no evidence of data exfiltration having taken place.

The Group complied with its notification obligations under applicable data privacy law including the Information Commissioners Office (ICO) and is cooperating fully with the ICO's investigation. The Group understands that the ICO has indicated that it may take regulatory proceedings which may ultimately lead to a monetary penalty and or enforcement action, the results of which cannot currently be foreseen or reliably estimated.

On 5 October 2020 the Interserve Learning and Employment business was sold to Enact Fund for a nominal consideration of £1 reflecting the fact that the purchaser took on outstanding liabilities at completion.

On 30 November 2020 the sale of the majority of the Interserve Support Services business was completed for a combined consideration of £205 million comprising £120 million in cash and a 17.5% shareholding in the Mitie Group. As part of this transaction new Group funding arrangements were put in place with our lenders to provide additional liquidity to the remaining Interserve businesses.

On 1 December 2020 the sale of Interserve Healthcare to City and County Healthcare Group was completed for a consideration of £4.8 million.

Orient Gold Limited

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

13. ULTIMATE CONTROLLING PARTY

Interserve Service futures Limited a company registered in England & Wales, is the company regarded by the directors as the immediate parent company. At 31 December 2019 ESG Intermediate Holdings Limited, a company registered in England & Wales, was the company regarded by the directors as the immediate parent company.

The company regarded by the directors as the ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the company and for which group financial statements are prepared, is Interserve Group Limited, a company incorporated in the United Kingdom and registered in England and 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.

