Registered number: 03221816

COLLEDGE TRUNDLE & HALL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

COLLEDGE TRUNDLE & HALL LIMITED

COMPANY INFORMATION

DIRECTORS	B Lala J Spires J Graham
COMPANY SECRETARY	S Gregory
REGISTERED NUMBER	03221816
REGISTERED OFFICE	ENGIE Q3 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8EX
INDEPENDENT AUDITOR	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

CONTENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of Colledge Trundle & Hall Limited ("the Company") is the supply and maintenance of engineering and software solutions using modern controls or building management systems to meet the customers' needs for more effective, safe and sustainable building services and environments.

BUSINESS REVIEW

Turnover for the financial year under review was £3,984,000 *(2019: £2,353,000)* and profit before tax for the financial year under review was £669,000 *(2019: £155,000)*.

The Company continues to have a strong balance sheet with total equity of £1,491,000 *(2019: £949,000)*.

The world continues to face the COVID-19 pandemic on an unprecedented scale, which is resulting in a health and economic crisis.

In response to the crisis, both the Company and the ENGIE group are continuing to take action to help mitigate the impact of the pandemic. The Company's and the ENGIE group's top priority clearly remains the health and safety of all its stakeholders, especially its employees.

Given the activities of the Company, there has been no impact of the pandemic on the results or position of the Company during the financial year.

The Company and the ENGIE group have no experience of a similar crisis, although the Company has a strong statement of financial position and furthermore is confident it has the financial support of the ENGIE group in relation to both short-term liquidity and longer-term financing solutions to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

M Gallacher (resigned 30 June 2021)
G Oxley (resigned 20 January 2020)
S Hockman (appointed 20 January 2020, resigned 28 February 2022)
B Lala (appointed 1 July 2021)
J Spires (appointed 1 July 2021)
J Graham (appointed 1 March 2022)

FUTURE DEVELOPMENTS

The Directors are confident that the Company will be able to build on its current portfolio of contracts and grow the business with both existing and new clients in the future.

FINANCIAL INSTRUMENTS

The Company monitors its exposure to risk on an ongoing basis. The Company's activities do not expose it to any material price risk, interest rate cash flow risk or foreign exchange risk. Owing to the nature of the Company's business and the assets and liabilities contained within the balance sheet, the financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. The Company has not used financial instruments to manage its exposure to these risks.

Credit risk

Credit risk arises on the Company's principal financial assets, which are trade and other debtors and amounts owed by group undertakings. All customers are credit checked prior to any sales and only customers with an appropriate credit rating are offered credit terms. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on amounts owed by group undertakings is not considered to be significant, given the group's strong credit rating.

Liquidity risk

The Company is exposed to liquidity risk on its financial liabilities, including trade and other creditors and amounts owed to group undertakings. In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, which is particularly important given the ongoing economic crisis, the Company benefits from access to both short-term liquidity and longer-term financing support from the ENGIE group.

Within the UK & Ireland Business Unit ("UK BU"), of which the Company is a part, management has also explored alternative sources of liquidity including increased overdraft facilities from UK banks, the implementation of a Revolving Credit Facility and UK Government support offered via the COVID Corporate Financing Facility, which was available during the height of the pandemic. However, despite such arrangements being readily available, this review has concluded that the ENGIE group financing is currently the most economical and rational solution for the Company. The Directors do not anticipate any issues in accessing necessary liquidity for the foreseeable future. The situation is, of course, under continual review.

GOING CONCERN

Given the current health and economic crisis which has evolved during the financial year and has continued since the year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. Clearly, the current situation is having an adverse impact on current year trading results across the UK BU and a deterioration in cash inflow is a reality.

Several initiatives have been implemented to protect the financial standing of the UK BU. A significant number of employees were furloughed during the crisis, taking advantage of funding available from the Government, capital expenditure and discretionary spend restrictions have been enforced, VAT payments were deferred (allowed in accordance with HMRC guidelines) and direct pandemic related costs continue to be closely monitored. Detailed cash flow forecasting is taking place and the situation continues to be reviewed on an ongoing basis involving regular communication with the ENGIE group.

The Directors remain confident that both short-term liquidity and longer-term financing support is readily available from the ENGIE group (which has a BBB+ credit rating from Standard & Poor's), should this be required, and the Company has no significant reliance on external third-party debt. Further, the UK business has been offered or could obtain several financial support arrangements from the banking industry and although these are currently deemed unnecessary, this helps support the conclusion that no financing issues are currently foreseen. The Directors are therefore satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

As mentioned in the post balance sheet events disclosure, during 2020 the ENGIE group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, employee representative consultation related to the proposed organisation design for the new entity was launched.

During June 2021 the ENGIE group announced that a new organisational structure had been established featuring four Global Business Units and newly-created EQUANS, a leader in delivering multi-technical services (of which this Company forms a part). The group also announced that EQUANS would operate as an autonomous entity within ENGIE, managed by its CEO Jérôme Stubler and his management team. EQUANS has 74,000 employees in 17 countries and an annual revenue of over €12 billion.

In November 2021, following the decision of its Board of Directors, and after a rigorous and competitive process, ENGIE announced that it had entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS for a valuation of €7.1 billion.

Bouygues is planning to create around EQUANS a global leader in multi-technical services to which it will bring its own activity. It will provide a framework for EQUANS to develop and strengthen its position.

The proposed transaction is to be submitted to the relevant employee representative bodies for consultation and is expected to close in H2 2022, subject to regulatory approvals and customary closing conditions.

The Company has received a letter of support from ENGIE S.A. The Directors have considered the ability of ENGIE S.A. to provide the required financial support to the companys and have satisfied themselves that ENGIE S.A. is able to provide support for a period of the earlier of not less than twelve months from the approval of these financial statements, or until the company no longer remains part of the ENGIE group.

At the date of signing these financial statements, the ENGIE group has not completed the contemplated sales process. However, it is possible that during the Autumn of 2022 the Company will no longer remain a subsidiary of ENGIE S.A. and therefore the Directors are unable to control all scenarios for the Company's future, including its funding arrangements. The probable change in ownership of EQUANS and the Company is considered a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would be required if the Company were unable to continue as a going concern.

The Directors believe that should the sale of EQUANS to Bouygues conclude successfully, it will not result in the separate disposal of this Company, and Bouygues will secure suitable alternative funding arrangements for EQUANS as part of its acquisition plan, to ensure the business is successful. Bouygues intends to create a world leader in multi-technical services and to create 10,000 net additional jobs over 5 years. EQUANS would then employ worldwide more than 95,000 employees and generate an annual turnover of circa €16 billion.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

Following the announcement in July 2020 of a new strategic orientation to simplify the ENGIE group and accelerate growth in renewables and infrastructure assets, ENGIE has delivered progress at pace, despite the challenging backdrop. A strategic review of part of the Client Solutions business was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

In February 2021, the employee representatives' consultation, related to the proposed organisation design for the new entity, was launched.

During June 2021 the ENGIE group announced that a new organisational structure had been established featuring four Global Business Units and newly-created EQUANS, a leader in delivering multi-technical services (of which this Company forms a part). The group also announced that EQUANS would operate as an autonomous entity within ENGIE, managed by its CEO Jérôme Stubler and his management team. EQUANS has 74,000 employees in 17 countries and an annual revenue of over €12 billion.

In November 2021, following the decision of its Board of Directors, and after a rigorous and competitive process, ENGIE announced that it had entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS for a valuation of €7.1 billion.

Bouygues is planning to create around EQUANS a global leader in multi-technical services, to which it will bring its own activity. It will provide a framework for EQUANS to develop and strengthen its position.

The proposed transaction is to be submitted to the relevant employee representative bodies for consultation and is expected to close in H2 2022, subject to regulatory approvals and customary closing conditions.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 12 April 2022 and signed on its behalf.

DocuSigned by:
Bilal Lala
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B Lala
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are responsible for preparing the Directors' report 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 judgments 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;
- 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLEDGE TRUNDLE & HALL LIMITED

Opinion

We have audited the financial statements of College Trundle & Hall Limited (the 'company') for the year ended
31 December 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 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.

Material uncertainty relating to going concern

We draw your attention to note 2.3 to the financial statements, which indicates that the directors have prepared the financial statements on a going concern basis, as they have a parental support letter from ENGIE S.A. forming part of their going concern assessment. That support is conditional on the company remaining part of the ENGIE group, however the ENGIE group has entered into exclusive negotiations with Bouygues for the sale of the EQUANS division, of which the company is a component. The proposed transaction will be submitted to the relevant employee representative bodies for consultation and is expected to close in H2 2022, subject to regulatory approvals and customary closing conditions, which may result in the company no longer being part of the ENGIE group. As stated in note 2.3, these events or conditions, along with the other matters set forth in note 2.3, indicate a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 course of 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLEDGE TRUNDLE & HALL LIMITED (CONTINUED)

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.

Matters on which we are required to report by exception

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.

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 take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLEDGE TRUNDLE & HALL LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are
  - Companies Act 2006 and FRS101
  - Tax legislation (governed by HM Revenue & Customs)
  - Health and Safety legislation

- We understood how the company is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity level control environment. We made enquiries of the Company's legal counsel and senior management of known instances of non-compliance or suspected non-compliance with laws and regulations, including any matters raised in whistleblowing. We also considered the oversight procedures of the Company's parent entity at a UK level through the "Executive Board".

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management, including the UK Chief Financial Officer, the UK Deputy Chief Financial Officer, the UK Group Financial Controller. We obtained details of incidents and allegations of fraud raised internally and investigated by the Company's ethics and compliance team. We planned our audit to identify risks of management override or bias by agreeing journal entries in the areas involving significant estimation and judgement, recognition of revenue and profits on contracts, to supporting documentation.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board meetings and other committee minutes, including the Risk Management Committee, and incident registers to identify any non-compliance with laws and regulations. Our procedures also involved journal entry testing and data analytics, as set out above. Our testing also included consideration of compliance of employees with policies and codes of conduct at a contract level, for a sample of contracts, based on their size and complexity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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.

Ernst + Young LLP

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
13 April 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	**3,984**	*2,353*
Cost of sales		**(2,916)**	*(1,482)*
Gross profit		**1,068**	*871*
Administrative expenses		**(400)**	*(739)*
Other operating income	5	**-**	*15*
Operating profit	6	**668**	*147*
Interest receivable and similar income	8	**1**	*8*
Profit before tax		**669**	*155*
Tax on profit	9	**(127)**	*(81)*
Profit for the financial year		**542**	*74*

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement and therefore no statement of comprehensive income has been presented.

The notes on pages 12 to 32 form part of these financial statements.

COLLEDGE TRUNDLE & HALL LIMITED
REGISTERED NUMBER: 03221816

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Fixed assets			
Tangible assets	10	**4**	*12*
		4	*12*
Current assets			
Debtors: amounts falling due within one year	12	**2,910**	*1,288*
		2,910	*1,288*
Creditors: amounts falling due within one year	13	**(1,423)**	*(348)*
Net current assets		**1,487**	*940*
Total assets less current liabilities		**1,491**	*952*
Creditors: amounts falling due after more than one year	14	**-**	*(3)*
Net assets		**1,491**	*949*
Capital and reserves			
Called up share capital	18	**50**	*50*
Profit and loss account	19	**1,441**	*899*
Total equity		**1,491**	*949*

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12 April 2022.

DocuSigned by:
Bilal Lala
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B Lala
Director

The notes on pages 12 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	**50**	**825**	**875**
Comprehensive income for the year			
Profit for the financial year	-	74	74
Total comprehensive income for the year	-	74	74
At 1 January 2020	**50**	**899**	**949**
Comprehensive income for the year			
Profit for the financial year	-	542	542
Total comprehensive income for the year	-	542	542
At 31 December 2020	**50**	**1,441**	**1,491**

The notes on pages 12 to 32 form part of these financial statements.

1. GENERAL INFORMATION

The financial statements of Colledge Trundle & Hall Limited for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 12 April 2022 and the statement of financial position was signed on the Board's behalf by B Lala.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is ENGIE Q3 Office, Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, Tyne and Wear, NE12 8EX.

The results of the Company are included in the consolidated financial statements of ENGIE S.A., which are available from ENGIE, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The functional and presentation currency of the Company is Pounds Sterling ("£") and all values in these financial statements are rounded to the nearest thousand pounds ("£'000") except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

Given the current health and economic crisis which has evolved during the financial year and has continued since the year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. Clearly, the current situation is having an adverse impact on current year trading results across the UK BU and a deterioration in cash inflow is a reality.

Several initiatives have been implemented to protect the financial standing of the UK BU. A significant number of employees were furloughed during the crisis, taking advantage of funding available from the Government, capital expenditure and discretionary spend restrictions have been enforced, VAT payments were deferred (allowed in accordance with HMRC guidelines) and direct pandemic related costs continue to be closely monitored. Detailed cash flow forecasting is taking place and the situation continues to be reviewed on an ongoing basis involving regular communication with the ENGIE group.

The Directors remain confident that both short-term liquidity and longer-term financing support is readily available from the ENGIE group (which has a BBB+ credit rating from Standard & Poor's), should this be required, and the Company has no significant reliance on external third-party debt. Further, the UK business has been offered or could obtain several financial support arrangements from the banking industry and although these are currently deemed unnecessary, this helps support the conclusion that no financing issues are currently foreseen. The Directors are therefore satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

As mentioned in the post balance sheet events disclosure, during 2020 the ENGIE group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, employee representative consultation related to the proposed organisation design for the new entity was launched.

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In November 2021, following the decision of its Board of Directors, and after a rigorous and competitive process, ENGIE announced that it had entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS for a valuation of €7.1 billion.

Bouygues is planning to create around EQUANS a global leader in multi-technical services to which it will bring its own activity. It will provide a framework for EQUANS to develop and strengthen its position.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN (continued)

The proposed transaction is to be submitted to the relevant employee representative bodies for consultation and is expected to close in H2 2022, subject to regulatory approvals and customary closing conditions.

The Company has received a letter of support from ENGIE S.A. The Directors have considered the ability of ENGIE S.A. to provide the required financial support to the companys and have satisfied themselves that ENGIE S.A. is able to provide support for a period of the earlier of not less than twelve months from the approval of these financial statements, or until the company no longer remains part of the ENGIE group.

At the date of signing these financial statements, the ENGIE group has not completed the contemplated sales process. However, it is possible that during the Autumn of 2022 the Company will no longer remain a subsidiary of ENGIE S.A. and therefore the Directors are unable to control all scenarios for the Company's future, including its funding arrangements. The probable change in ownership of EQUANS and the Company is considered a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would be required if the Company were unable to continue as a going concern.

The Directors believe that should the sale of EQUANS to Bouygues conclude successfully, it will not result in the separate disposal of this Company, and Bouygues will secure suitable alternative funding arrangements for EQUANS as part of its acquisition plan, to ensure the business is successful. Bouygues intends to create a world leader in multi-technical services and to create 10,000 net additional jobs over 5 years. EQUANS would then employ worldwide more than 95,000 employees and generate an annual turnover of circa €16 billion.

2.4 REVENUE

For all contracts with customers the Company recognises revenue when performance obligations have been satisfied. For most of the Company's contracts revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.

IFRS 15 provides a five step-model which the Company has applied to all sales contracts with customers to identify the revenue which can be recognised. The model is applied at contract inception and on the assumption that the contract will operate as defined in the contract and that the contract will not be cancelled, renewed or modified. After contract inception a change in the scope or price (or both) of a contract that is approved by the parties to the contract is a contract modification.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE (continued)

Step 1 - Identify the contract with the customer

First, the Company determines if a contract exists and whether it is in scope of IFRS 15. The arrangement must create enforceable rights and obligations. Typically, this will be a signed contract with the customer. The Company and customer must be committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred should be identifiable, the payment terms for the goods or services to be transferred should be identifiable, the arrangement must have commercial substance and it must be probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This assessment is completed on a case by case basis in line with IFRS 15.

Sometimes the Company's contracts are revised for changes to customer requirements. A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and exists when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. A contract modification can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. Judgment is applied in relation to the accounting for contract modifications where the final terms or legal contracts have not been agreed prior to the period end as management needs to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods.

Contract modifications are accounted for as a separate contract if the scope of the contract changes due to the addition of promised goods or services that are distinct and the price of the contract changes by an amount of consideration that reflects the stand-alone selling price of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Step 2 - Identify the performance obligations in the contract

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations and contractual promises to transfer distinct goods or services to a customer. For contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

a) a good or service (or bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

For core services provided under most contracts entered into by the Company, management has applied the principles of IFRS 15 and concluded that the promises are not distinct within the context of the contract and as such there is one performance obligation.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE (continued)

Step 3 - Determine the transaction price

The transaction price is defined as the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer.

The Company estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

When determining the transaction price, the Company assumes that the goods or services will be transferred to the customer based on the terms of the existing contract and does not take into consideration the possibility of a contract being cancelled, renewed or modified.

Variable payments include discounts, rebates, refunds, bonuses, performance bonuses or charges for the occurrence (or lack of occurrence) of a future event and are recognised as revenue (adjusted upwards or downwards) only when it is highly probable that a significant reversal in the revenue recognised will not occur when the associated uncertainty is subsequently resolved. The Company considers highly probable to mean being able to evidence with 80-90% certainty.

Step 4 - Allocate the transaction price to the performance obligations in the contract

The Company allocates the total transaction price to each of the identified performance obligations based on their relative stand-alone selling prices. The Company typically applies an observable price or a cost-plus margin approach.

Step 5 - Recognise revenue when the entity satisfies a performance obligation

For each performance obligation, the Company recognises revenue when (or as) the performance obligation is satisfied. For each performance obligation identified, the Company determines at the contract inception whether it satisfies the performance obligation and recognises revenue over time or at a point in time. For core services provided under most contracts revenue is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Company.
For each performance obligation satisfied over time, the Company recognises revenue over time by measuring progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to reflect an entity's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of an entity's performance obligation). The nature of the good or service that the entity promised to transfer to the customer determines the appropriate method for measuring progress. The Company uses input methods and output methods.

Under the input method the Company recognises revenue based on its efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended or costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation. If the entity's efforts or inputs are expended evenly throughout the performance period, it may be appropriate for the entity to recognise revenue on a straight-line basis.

The Company applies output methods to specific long-term contracts. These include methods such as surveys of performance completed to date, appraisals of results achieved or milestones reached.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE (continued)

However, if the contract is in its early stages and it is not possible to reasonably measure progress, but the Company expects to recover the costs incurred during this phase, revenue is recognised to the extent of the costs incurred until such a time that it can measure the progress made. The Company considers this to be when the contract is 20% complete.

If a performance obligation is not satisfied over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be when the Company has the right to payment of the asset, at the point the Company has transferred physical possession of the asset, or the customer has accepted the asset. Management applies judgment to determine when a customer obtains control of a promised asset and the Company has satisfied a performance obligation.

Costs to obtain a contract

The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Costs to fulfil a contract

Costs incurred to ensure that a contract is appropriately mobilised and transformed to enable the delivery of full services under the contract target operating model, are contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the balance sheet:

a) the costs relate directly to the contract or to a specific anticipated contract;
b) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
c) the costs are expected to be recovered.

For costs incurred in fulfilling a contract with a customer that are within the scope of another IFRS, the Company accounts for these in accordance with those other IFRSs.

Amortisation and impairment of contract assets

The Company amortises contract assets (costs to obtain a contract and costs to fulfil a contract) on a systematic basis that is consistent with the transfer to the customer of the related goods or services to which the asset relates.

Accrued income and deferred income

At the reporting date the Company recognises accrued income or deferred income when revenue recognised is cumulatively higher or lower than the amounts invoiced to the customer.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 LEASES

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. This rate is calculated based on the ENGIE group's incremental borrowing rate adjusted in accordance with IFRS 16, taking into account:

a) the economic environment of the Company, and in particular its credit risk;
b) the currency in which the contract is concluded; and
c) the duration of the contract at inception (or the remaining duration for contracts existing upon the initial application of IFRS 16).

The methodology applied to determine the incremental borrowing rate reflects the profile of the lease payments (duration method).

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'creditors' on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 LEASES (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'tangible assets' line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.8.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 INTEREST INCOME

Interest income is recognised in the income statement using the effective interest method.

2.7 TAXATION

The tax for the year comprises current and deferred tax. Tax is recognised in the income statement except that an expense attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.8 TANGIBLE FIXED ASSETS (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Right-of-use assets - motor vehicles	- Over the lease term
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.9 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, plus transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (CONTINUED)

2.12 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value in accordance with IFRS 9.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company requires expected lifetime losses to be recognised from initial recognition of the receivables. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates.

The following judgments, estimates and assumptions have had the most significant effect on amounts recognised in the financial statements:

Revenue recognition

The Company determines if a contract exists and whether it is in scope of IFRS 15. The arrangement must create enforceable rights and obligations. Typically, this will be a signed contract with the customer. The Company and customer must be committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred should be identifiable, the payment terms for the goods or services to be transferred should be identifiable, the arrangement must have commercial substance and it must be probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This assessment is completed on a case by case basis in line with IFRS 15.

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations and contractual promises to transfer distinct goods or services to a customer. For contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

a) a good or service (or bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

For core services provided under most contracts entered into by the Company, management has applied the principles of IFRS 15 and concluded that the promises are not distinct within the context of the contract and as such there is one performance obligation.

The Company recognises revenue on a contract by contract basis based on the satisfaction of performance obligations. Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Provisions and accruals for liabilities

Management estimation is required to determine the appropriate amounts of provisions (including provisions for bad and doubtful debts), customer rebates and accruals for certain administrative expenses. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

4. TURNOVER

All turnover arose within the United Kingdom from the Company's principal activity, which is the supply and maintenance of engineering and software solutions using modern controls or building management systems to meet the customers' needs for more effective, safe and sustainable building services and environments.

5. OTHER OPERATING INCOME

	2020	*2019*
	£000	*£000*
Other operating income	**-**	*15*

6. OPERATING PROFIT

The operating profit is stated after charging:

	2020	*2019*
	£000	*£000*
Depreciation of tangible assets	**8**	*9*

The Company has no employees other than the Directors *(2019: none)*. The Company does not directly employ any staff. All employees hold contracts of employment with other group companies, with the costs allocated to the Company via an overhead recharge.

All Directors' remuneration is paid by a fellow group undertaking in respect of their services to group companies. The Directors' services to the Company do not occupy a significant amount of time and consequently no allocation can be made to the Company for qualifying services for the year *(2019: £nil)*.

7. AUDITOR'S REMUNERATION

	2020	*2019*
	£000	*£000*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**14**	*15*

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	*2019*
	£000	*£000*
Interest receivable from group undertakings	**1**	*8*

9. TAXATION

	2020 **£000**	*2019* *£000*
CORPORATION TAX		
Current tax on profit for the year	**129**	*32*
Adjustments in respect of previous periods	**-**	*49*
TOTAL CURRENT TAX	**129**	*81*
DEFERRED TAX		
Origination and reversal of timing differences	**(2)**	-
TOTAL DEFERRED TAX	**(2)**	-
TAX ON PROFIT	**127**	*81*

FACTORS AFFECTING TAX (CREDIT)/EXPENSE FOR THE YEAR

The tax assessed for the year is lower than *(2019: higher than)* the standard rate of corporation tax in the UK of 19.00% *(2019: 19.00%)*. The differences are explained below:

	2020 **£000**	*2019* *£000*
Profit before tax	**669**	*155*
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	**127**	*29*
EFFECTS OF:		
Expenses not deductible for tax purposes	**-**	*5*
Adjustments to tax charge in respect of prior periods	**-**	*49*
Research and development tax credit	**-**	*(2)*
TOTAL TAX (CREDIT)/EXPENSE FOR THE YEAR	**127**	*81*

9. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX EXPENSES

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by the Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% *(2019: 17%)* which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the year end. It is likely that the overall effect of these changes, had they been substantively enacted by the balance sheet date, would not be material to these financial statements.

10. TANGIBLE ASSETS

	Right-of-use assets - motor vehicles £000	Computer equipment £000	Total £000
COST			
At 1 January 2020	16	5	21
Disposals	(6)	-	(6)
At 31 December 2020	10	5	15
DEPRECIATION			
At 1 January 2020	7	2	9
Charge for the year on owned assets	-	2	2
Charge for the year on right-of-use assets	6	-	6
Disposals	(6)	-	(6)
At 31 December 2020	7	4	11
NET BOOK VALUE			
At 31 December 2020	3	1	4
At 31 December 2019	*9*	*3*	*12*

11. STOCKS

Replacement costs of stock

The difference between purchase price of stocks and their replacement cost is not material.

12. DEBTORS

	2020 £000	*2019* *£000*
Trade debtors	353	*227*
Amounts owed by group undertakings	1,895	*1,015*
Tax recoverable	8	*13*
Other debtors	103	*20*
Prepayments and accrued income	546	*11*
Deferred taxation	5	*2*
	2,910	*1,288*

Included in amounts owed by group undertakings is a balance of £1,322,000 *(2019: £916,000)* held in a group cash pool arrangement, which is available on demand.

13. CREDITORS: Amounts falling due within one year

	2020 £000	*2019* *£000*
Trade creditors	37	*15*
Amounts owed to group undertakings	112	*47*
Group relief payable to group undertakings	228	*99*
Other taxation and social security	44	*35*
Lease liabilities	3	*6*
Other creditors	24	*8*
Accruals and deferred income	975	*138*
	1,423	*348*

Amounts owed to group undertakings are unsecured and interest free.

14. CREDITORS: Amounts falling due after more than one year

	2020 £000	*2019* *£000*
Lease liabilities	-	*3*

15. LEASES

Company as a lessee

The Company has lease contracts for motor vehicles used in its operations. Leases of motor vehicles generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Lease liabilities are due as follows:

	2020 **£000**	*2019* *£000*
Not later than one year	**3**	*6*
Between one year and five years	**-**	*3*
	3	*9*

The Company has recognised an interest expense on lease liabilities of £114 in the income statement *(2019: £200)*.

The cash outflows in respect of lease payments for the year ended 31 December 2020 amounted to £6,000 *(2019: £7,000)*.

The information in respect of the right-of-use assets has been included in note 10.

16. FINANCIAL INSTRUMENTS

	2020 **£000**	*2019* *£000*
FINANCIAL ASSETS		
Financial assets measured at amortised cost	**2,959**	*1,273*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(1,036)**	*(311)*

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, group relief payable to group undertakings, lease liabilities, other creditors and accruals.

17. DEFERRED TAXATION

	2020	*2019*
	£000	*£000*
At beginning of year	**2**	*2*
Charged to the income statement	**3**	-
AT END OF YEAR	**5**	*2*

The deferred tax asset is made up as follows:

	2020	*2019*
	£000	*£000*
Depreciation in advance of capital allowances	**2**	*2*
Short term timing differences	**3**	-
	5	*2*

18. CALLED UP SHARE CAPITAL

	2020	*2019*
	£000	*£000*
Allotted, called up and fully paid		
50,000 *(2019: 50,000)* Ordinary shares of £1.00 each	**50**	*50*

19. RESERVES

Profit and loss account

The profit and loss account records the cumulative amount of profits and losses less any distributions of dividends.

20. POST BALANCE SHEET EVENTS

Following the announcement in July 2020 of a new strategic orientation to simplify the ENGIE group and accelerate growth in renewables and infrastructure assets, ENGIE has delivered progress at pace, despite the challenging backdrop. A strategic review of part of the Client Solutions business was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

In February 2021, the employee representatives' consultation, related to the proposed organisation design for the new entity, was launched.

During June 2021 the ENGIE group announced that a new organisational structure had been established featuring four Global Business Units and newly-created EQUANS, a leader in delivering multi-technical services (of which this Company forms a part). The group also announced that EQUANS would operate as an autonomous entity within ENGIE, managed by its CEO Jérôme Stubler and his management team. EQUANS has 74,000 employees in 17 countries and an annual revenue of over €12 billion.

In November 2021, following the decision of its Board of Directors, and after a rigorous and competitive process, ENGIE announced that it had entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS for a valuation of €7.1 billion.

Bouygues is planning to create around EQUANS a global leader in multi-technical services, to which it will bring its own activity. It will provide a framework for EQUANS to develop and strengthen its position.

The proposed transaction is to be submitted to the relevant employee representative bodies for consultation and is expected to close in H2 2022, subject to regulatory approvals and customary closing conditions.

21. CONTROLLING PARTY

The immediate parent company of Colledge Trundle and Hall Limited is ENGIE Services Holding UK Limited, a company registered in England and Wales. The Directors regard ENGIE S.A. as the ultimate parent company and controlling party of Colledge Trundle and Hall Limited. ENGIE S.A. is registered in France.

The parent undertaking of the smallest and largest group which includes the Company for which consolidated financial statements are prepared is ENGIE S.A.

Copies of the group's consolidated financial statements may be obtained from ENGIE, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.