

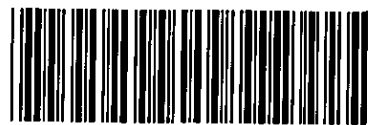
INEO EI UK Ltd

Company Registration N° 3577922

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

For the year ended 31 December 2010

TUESDAY



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# INEO EI UK LTD

## COMPANY INFORMATION

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Directors	M Bouhana B Nebout
Company secretary	Frenger International Limited
Company number	3577922
Registered office	Wilberforce House Station Road London NW4 4QE
Auditor	Deloitte LLP Leeds, UK

# INEO EI UK LTD

## CONTENTS

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Directors' report	1-3
Independent auditor's report	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-16

# INEO EI UK LTD

## COMPANY INFORMATION

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The directors present their report and the financial statements for the year ended 31 December 2010

### **Directors' responsibilities statement**

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Principal activities**

The company's main activity is the installation of electrical wiring in construction projects.

# **INEO EI UK LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **Review of the business and future development**

The profit for the year, after taxation, amounted to £ 216,855 (2009 - £ 1,013,530)

The results for the year and the financial position at the year end were considered satisfactory by the directors. The directors recommended and paid an interim dividend of £ 1,389.45 per share (2009 - £ nil). The directors do not recommend a final dividend (2009 - £ nil).

The company reported turnover on 18 projects in 2010 compared to 16 in 2009. The main two projects of 2009 have been completed during the year of 2010. This resulted in a drop in turnover.

The projected turnover for the year 2011 is £ 2,600,000 based on an order book of £ 1,600,000 at 31 December 2010.

### **Financial risk management objectives and policies**

#### **Competitive and commercial risk**

Pressures facing the company are the recruitment and retention of key managers and personnel, limited skilled resources, competition from Eastern Europe and the Far East and delay in significant projects by major customers as a result of the prevailing economic conditions. The Directors mitigate these pressures by regular reviews of market intelligence, participation in industry associations and ongoing management processes and procedures in order to structure the company's cost base in line with market conditions.

#### **Credit Risk**

The company's credit risk relates primarily to its amounts receivable on contracts. The company has a broad customer base and all new customers are checked for credit worthiness. Exposures are also managed on a weekly basis via a dedicated credit control function and by regular contract reviews with the contract management and staff.

#### **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations arising from its financial liabilities. The company aims to mitigate this risk by managing cash generated from its operations, and applying cash collection and exposure targets across the business.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the directors' report. The company meets its day to day working capital requirements through historic cash which it has generated. The current economic conditions create uncertainty particularly over (a) the level of demand for the company's products, and (b) the cost of the company's raw materials.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without the need for additional

# INEO EI UK LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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financing The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Directors

The directors who served during the year were

M Bouhana  
B Nebout

### Statement of disclosure to auditor

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


- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditor is aware of that information

### Auditor

The auditor, Deloitte LLP, has replaced Mazars LLP in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf

B Nebout  
Director  
Date

12.09.2011 

# **INEO EI UK LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEO EI UK LTD**

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We have audited the financial statements of Ineo EI UK Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# INEO EI UK LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEO EI UK LTD

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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



David Johnson BA FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK

15 September 2011



# INEO EI UK LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

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	Note	2010 £	2009 £
Turnover	1	7,274,268	14,075,572
Cost of sales		<u>(5,870,422)</u>	<u>(11,665,525)</u>
Gross profit		1,403,846	2,410,047
Administrative expenses		<u>(1,102,017)</u>	<u>(1,014,271)</u>
Operating profit	2	301,829	1,395,776
Interest receivable	3	1,199	21,801
Interest payable	5	<u>(37)</u>	<u>(5,084)</u>
Profit on ordinary activities before taxation		302,991	1,412,493
Tax on profit on ordinary activities	6	<u>(86,135)</u>	<u>(398,963)</u>
Profit for the financial year	13	<u>216,856</u>	<u>1,013,530</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 8 to 16 form part of these financial statements

# INEO EI UK LTD

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	8	7,047	18,832
<b>Current assets</b>			
Debtors	9	1,094,581	3,946,657
Cash at bank		<u>2,810,274</u>	<u>2,587,836</u>
		3,904,855	6,534,493
Creditors: amounts falling due within one year	10	<u>(3,221,489)</u>	<u>(4,700,134)</u>
<b>Net current assets</b>		<u>683,366</u>	<u>1,834,359</u>
<b>Total assets less current liabilities</b>		<u>690,413</u>	<u>1,853,191</u>
Provision for loss making contracts	11	<u>(9,816)</u>	-
<b>Net assets</b>		<u>680,597</u>	<u>1,853,191</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>679,597</u>	<u>1,852,191</u>
<b>Shareholders' funds</b>	14	<u>680,597</u>	<u>1,853,191</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

B Nebout  
Director

Date 12.09.2011

The notes on pages 8 to 16 form part of these financial statements

# **INEO EI UK LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **1 Accounting Policies**

#### **1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### **1.2 Compliance with accounting standards**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

#### **1.3 Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the directors' report. The company meets its day to day working capital requirements through historic cash which it has generated. The current economic conditions create uncertainty particularly over (a) the level of demand for the company's products, and (b) the cost of the company's raw materials.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without the need for additional financing. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

# **INEO EI UK LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **1.5 Tangible fixed assets and depreciation**

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

Office equipment                      - 33% straight line

### **1.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the translation

Exchange gains and losses are recognised in the Profit and Loss Account

### **1.7 Taxation**

Current tax, including UK corporation tax and foreign 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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rate expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted

### **1.8 Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

### 1.9 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

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

### 2. Operating profit

The profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets. - owned by the company	11,785	12,972
Fees payable to the company's auditor for the audit of the company's annual accounts	36,900	16,000
Fees payable to the company's auditor for taxation services	5,749	20,514
Operating lease rentals: - other operating leases	67,594	69,042
Foreign exchange loss	<u>50,286</u>	<u>9,051</u>

Fees payable to the company's auditor in relation to 2010 include amounts of £24,600 which were paid to the company's previous auditor.

### 3. Interest receivable and similar income

	2010 £	2009 £
Bank interest receivable	1,199	21,801

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 4. Staff costs

Staff costs were as follows

	2010	2009
	£	£
Wages and salaries	478,264	601,886
Social security costs	<u>21,180</u>	<u>158,302</u>
	<u>499,444</u>	<u>760,188</u>

During the year, the company's directors were remunerated by other members of the GDF Suez group. No director received any emoluments (2009 - £ NIL) for their services to the company.

The average monthly number of employees, including the directors, during the year was as follows

	2010	2009
Monthly employees	<u>14</u>	<u>15</u>

### 5. Interest payable

	2010	2009
	£	£
On bank loans and overdrafts	<u>37</u>	<u>5,084</u>

### 6. Taxation

	2010	2009
	£	£
UK corporation tax charge on profit for the year	<u>86,135</u>	<u>398,963</u>

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### Factors affecting tax charges for the year

The tax assessed for the year is higher (2009 – higher than) than the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>302,991</u>	<u>1,412,493</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	84,837	395,498
Effects of:		
Amounts not deductible for tax purposes	-	969
Depreciation in excess of capital allowances	1,298	1,443
Prior year adjustments	-	(59)
Other tax adjustments	<u>-</u>	<u>1,112</u>
Current tax charge for the year (see note above)	<u>86,135</u>	<u>398,963</u>

The UK government announced on 23 March 2011 that the UK rate of corporation tax would be reduced to 26% with effect from April 2011 with annual 1% decreases to a rate of 23% from April 2014

### 7. Dividend

	2010 £	2009 £
Interim dividend for the year ended 31 December 2010 of £ 1,389.45 per share (2009 - £NIL)	1,389,450	-
	<u>1,389,450</u>	<u>-</u>

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 8. Tangible fixed assets

	Office equipment £
<b>Cost</b>	
At 1 January 2010	60,344
At 31 December 2010	<u>60,344</u>
<b>Depreciation</b>	
At 1 January 2010	41,512
Charge for the year	<u>11,785</u>
At 31 December 2010	<u>53,297</u>
<b>Net book value</b>	
At 31 December 2010	<u>7,047</u>
At 31 December 2009	<u>18,832</u>

### 9. Debtors

	2010 £	2009 £
Trade debtors	490,690	3,111,452
Amounts due from group undertakings	165,441	146,758
Other debtors	22,964	12,887
Amounts recoverable on long term contracts	<u>415,486</u>	<u>675,560</u>
	<u>1,094,581</u>	<u>3,946,657</u>



# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 10. Creditors

Amounts falling due within one year :

	2010	2009
	£	£
Payments received on account	-	848,876
Trade creditors	59,879	678,500
Amounts due to group undertakings	2,385,850	1,579,812
Corporation tax	42,566	253,218
Social security and other taxes	107,253	324,988
Other creditors	-	25,041
Accruals and deferred income	625,941	989,699
	<u>3,221,489</u>	<u>4,700,134</u>

### 11. Provision for loss making contracts

	Loss making contract
	£
At 1 January 2010	-
Charged to profit and loss account	9,816
Utilisation of provision	-
At 31 December 2010	<u>9,816</u>

The provision for loss making contracts is expected to be utilised within the next year

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 12. Share capital

	2010	2009
	£	£
Alloted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 13. Reserves

	Profit and loss account
	£
At 1 January 2010	1,852,191
Profit for the year	216,856
Dividend paid	<u>(1,389,450)</u>
At 31 December 2010	<u>679,597</u>

### 14. Reconciliation of movement in shareholders' funds

	2010	2009
	£	£
Profit for the year	216,856	1,013,530
Dividends paid on equity shares	<u>(1,389,450)</u>	<u>-</u>
Net (withdrawal from)/addition to shareholders' funds	<u>(1,172,596)</u>	<u>1,013,530</u>
Opening shareholders' funds	<u>1,853,191</u>	<u>839,661</u>
Closing shareholders' funds	<u>680,597</u>	<u>1,853,191</u>

# INEO EI UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 15. Operating lease commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	25,591	-	5,236	455
Between 2 and 5 years	<u>5,205</u>	<u>40,000</u>	<u>-</u>	<u>6,179</u>

### 16. Related party transactions

The company has taken advantage of the exemptions available in Financial Reporting Standards N° 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

### 17. Ultimate parent company

The director considers the ultimate parent undertaking to be GDF SUEZ, a company incorporated in France. The directors consider INEO Midi Pyrenees Languedoc Roussillon to be the immediate parent undertaking

INEO S A , the parent company of INEO Midi Pyrenees Languedoc Roussillon, is also incorporated in France and produces consolidated financial statements which are publicly available from Tour Voltaire, 1 place des Degres, 92059 Paris, La Defense Cedex, France

### 18. Contingent liabilities

The company provides warranties on its quality of work on contracts via retention monies unpaid by customers until 6 to 12 months after the completion of contracts. In addition, guarantees are provided via a third guarantor to the date of acceptance of works or to a date specified in each contract. At the year end, expected claims against the retentions and guarantees amount to £ NIL (2009 £NIL)