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INEO EI UK Ltd

Company Registration N°: 03577922

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the year ended 31 December 2014

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INEO EI UK LTD

COMPANY INFORMATION

Directors	A Gros M Bouhana
Company secretary	Frenger International Limited
Company number	03577922
Registered office	Wilberforce House Station Road London NW4 4QE
Auditor	Constantin 25 Hosier Lane London EC1A 9LQ
Banker	Société Générale London 41 Tower Hill London – EC3N 4SG

INEO EI UK LTD

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INEO EI UK LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Review of the business and future development

The profit for the year amounted to £ 179,429 (2013 – loss £ 37,651).

The directors recommended not to pay a dividend (2013 - £ nil per share). The directors do not recommend a final dividend (2013 - £ nil).

The 2014 turnover amounted to £ 5.8m compared to £ 5.3m in 2013. The 2014 turnover has been realized on 12 projects including 8 which have started in 2013 (London Road, Canning Town, Bow School, Etudes University Hertfordshire, 2 orders from Tiru) amounted to £ 5.2m (90% of turnover).

The company continues to maintain a healthy order book and the directors remain confident of continued success.

Financial risk management objectives and policies

Key Performance Indicators

We use a range of performance indicators, both financial and non-financial, to measure the delivery of our strategic objective – growth in shareholder value through the efficient operation, financing, and trading of output from our portfolio, whilst maintaining the highest levels of safety and environmental performance – and to manage the business.

The most important of these measures are considered Key Performance Indicators (KPIs) and their targets are determined annually during the business planning process. The KPIs are used by management to compare actual performance during the year, and the latest monthly forecasts, against the annual budgeted targets. Our KPIs, both financial and non-financial, are set out below.

Financial KPIs

Gross margin = 21.7% (vs 15.1% in 2013)
Profit before interests and tax = £196k (vs loss £38k)
Order book = £6,337k (vs £2,140k)
Free cash flow = £771k (vs £1,277k)

Non-financial KPIs

Accident Frequency Rate (AFR)
Technical availability

Gross margin increased from 15.1% to 21.7% despite an intensified competition in the sector and thanks to an active commercial approach. The company made a profit before interests and tax this year. Reductions on fixed charges have been achieved in 2014. The order book is higher than last year but in progression in 2014 (£ 6.7m in June 2014 including the new project University Hertfordshire). Free cash flows are lower than last year at the end of the period.

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

INEO EI UK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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.

Directors

The directors who served during the year were:

M Bouhana
A Gros

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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 directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INEO EI UK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

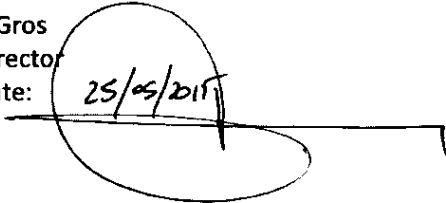
Auditor

Constantin are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

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

A Gros
Director
Date:

25/05/2015



INEO EI UK LTD

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

We have audited the financial statements of Ineo EI UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

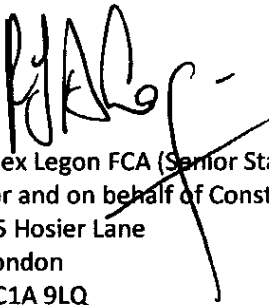
INEO EI UK LTD

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.



Alex Legon FCA (Senior Statutory Auditor)
for and on behalf of Constantin, Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ
Date:

25 SEP 2015

INEO EI UK LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Note	£	£
Turnover	1	5,838,993	5,314,763
Cost of sales		<u>(4,573,243)</u>	<u>(4,512,575)</u>
Gross profit		1,265,750	802,188
Administrative expenses		<u>(1,069,640)</u>	<u>(839,839)</u>
Operating profit/(loss)	2	196,110	(37,651)
Interest payable	4	<u>(18)</u>	
Profit/(loss) on ordinary activities before taxation		196,092	(37,651)
Tax on Profit/(loss) on ordinary activities	5	<u>(16,663)</u>	-
Profit/(loss) for the financial year	10	<u>179,429</u>	<u>(37,651)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 9 to 16 form part of these financial statements.

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BALANCE SHEET AS AT 31 DECEMBER 2014

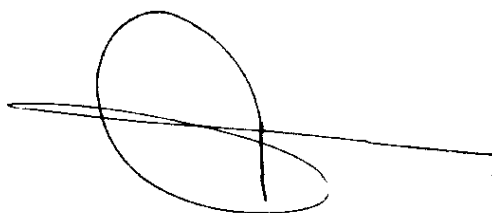
	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	6	2,292	4,765
Current assets			
Debtors	7	1,622,260	1,673,632
Cash at bank		<u>770,904</u>	<u>1,276,854</u>
		2,393,164	2,950,486
Creditors: amounts falling due within one year	8	<u>(1,694,641)</u>	<u>(2,433,865)</u>
Net current assets		<u>698,523</u>	<u>516,621</u>
Total assets less current liabilities		<u>700,815</u>	<u>521,386</u>
Net assets		<u><u>700,815</u></u>	<u><u>521,386</u></u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	<u>699,815</u>	<u>520,386</u>
Shareholders' funds	11	<u><u>700,815</u></u>	<u><u>521,386</u></u>

The financial statements of the company (registered number 03577922) were approved and authorised for issue by the board and were signed on its behalf by:

A Gros
Director

Date:

25/09/2015



The notes on pages 9 to 16 form part of these financial statements.

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law, and comply with financial reporting standards of the Accounting Standards Board.

1.2 Compliance with accounting standards

In accordance with Financial Reporting Standard No.1, the company has taken advantage of the exemption for, subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to prepare a cash flow statement, as the consolidated financial statements in which the company is included are publicly available.

1.3 Turnover

Turnover comprises revenue derived from ordinary activities and 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.

1.4 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
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INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1.5 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.

1.6 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 material 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 regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 is measured at the average tax rate that are expected to apply on the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.7 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can 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 a proportion of the total contract value according to the costs incurred to date as a percentage of the total expected costs for that contract. Revenues derived from variations on contracts 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.

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1.8 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/(loss)

The profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	3,317	2,373
Fees payable to the company's auditor for the audit of the company's annual accounts	4,290	8,123
Operating lease rentals:		
- other operating leases	66,990	102,319
Foreign exchange (profit)/loss	<u>(65,446)</u>	<u>44,572</u>

3. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	404,316	221,971
Social security costs	<u>51,380</u>	<u>51,125</u>
	<u>455,696</u>	<u>273,096</u>

During the year, the company's directors were remunerated by other members of the GDF Suez group. No director received any emoluments (2013 - £ NIL) for their services to the company. No director received any emoluments from INEO EI UK LTD (2013 - £ NIL) for their services to the company. Management fees including costs of services performed by the directors have been charged by INEO SA for a total amount of £ 33,991 (2013 - £ 35,504).

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

	2014	2013
Monthly employees	<u>6</u>	<u>3</u>

4. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	<u>18</u>	<u>-</u>

5. Taxation

	2014 £	2013 £
UK corporation tax charge on profit for the year	<u>16,663</u>	<u>-</u>
	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	<u>196,092</u>	<u>(37,651)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	41,179	(8,660)
Effects of:		
Expenses not deductible	6,050	5,108
Utilisation of tax losses	(27,432)	4,574
Capital allowances in excess of depreciation	<u>(3,134)</u>	<u>(1,022)</u>
Current tax charge for the year (see note above)	<u>16,663</u>	<u>-</u>

The Finance Act 2012, which provides for a reduction in the main rate of UK corporation tax to 23% effective from 1 April 2013 was enacted on 17 July 2012. The UK Government has also indicated that it intends to enact further reductions in the main tax rate to 21% from 1 April 2014 and then to 20% from 1 April 2015.

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

6. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2014	70,480
Additions	844
At 31 December 2014	<u>71,324</u>
Depreciation	
At 1 January 2014	65,715
Charge for the year	3,317
At 31 December 2014	<u>69,032</u>
Net book value	
At 31 December 2014	<u>2,292</u>
At 31 December 2013	<u>4,765</u>

7. Debtors

	2014 £	2013 £
Trade debtors	735,667	584,693
Amounts due from group undertakings	75,715	48,235
Other debtors	10,117	13,813
VAT / Taxation and Social security	587	441
Deferred expenses	-	78,041
Amounts recoverable on long term contracts	<u>800,174</u>	<u>948,409</u>
	<u>1,622,260</u>	<u>1,673,632</u>

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. Creditors

Amounts falling due within one year:

	2014 £	2013 £
Trade creditors	56,501	244,673
Amounts due to group undertakings	737,113	1,312,500
Corporation tax	70,726	54,072
Social security and other taxes	78,207	113,546
Accruals and deferred income	752,094	709,074
	<u>1,694,641</u>	<u>2,433,865</u>

9. Share capital

	2014 £	2013 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10. Reserves

	Profit and loss account £
At 1 January 2014	520,386
Profit for the year	<u>179,429</u>
At 31 December 2014	<u>699,815</u>

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. Reconciliation of movement in shareholders' funds

	2014	2013
	£	£
Profit for the year	179,429	(37,651)
Opening shareholders' funds	<u>521,386</u>	<u>559,037</u>
Closing shareholders' funds	<u>700,815</u>	<u>521,386</u>

12. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	<u>-</u>	<u>48,318</u>

13. Related party transactions

In accordance with Financial Reporting Standard No 8, the company has taken advantage of the exemption for subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

INEO EI UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. Ultimate parent company

The company's immediate parent undertaking and controlling party is INEO Midi Pyrenees Languedoc Roussillon, incorporated in France.

The company's ultimate parent undertaking and controlling party is ENGIE SA, a company incorporated in France. ENGIE SA is the largest group which includes Ineo EI UK Ltd in its consolidated financial statements which are publicly available from Tour T1, 1 place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris, La Defense Cedex, France.

INEO S.A is the smallest group which includes Ineo EI UK Ltd in its consolidated financial statements. 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.

15. 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 (2013: £NIL).