

Company Registration N°: 03577922

ENGIE INEO UK Ltd
Annual report and financial statements
31 December 2016

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ENGIE INEO UK Ltd

COMPANY INFORMATION

Directors	AJP 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

ENGIE INEO UK Ltd

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ENGIE INEO UK Ltd

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activities and review of the business

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

The profit for the year amounted to £ 311 634 (2015 profit £ 238,692).

The 2016 turnover amounted to £ 9.4m compared to £ 5.3m in 2015. The 2016 turnover has been realized on 17 projects including 6 which have started in 2016 (Queen Mary, Lewisham 1A 1 B, Manhattan Loft Garden, University of Hertfordshire, Canning Town Hallsville Phase 2).

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

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks and applications of credit limits on all new customers meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments to ensure it has sufficient funds to meet its obligations as they fall due. The company finance function produces regular forecasts which estimate the cash inflows and outflows, month by month, for the next twelve months, so that management can ensure that sufficient financing is in place as it is required.

Price risk

The company negotiates the price of each individual contract at arm's length and on a commercial basis. The company is not exposed to any specific price risk.

ENGIE INEO UK Ltd

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Financial risk

The company's operations are exposed to a variety of financial risks. The company believes that these risks are straight forward and therefore can be managed internally by the Board. The company does not use derivative financial instruments.

Future developments

The company will continue to invest in its employees with a number of projects being launched to improve its offering to its existing and new customers.

The order book is lower than last year, new projects end in 2017 , Manhattan Loft Garden 5.1M€, Canning Town Hallsville Phase 2 4.6M€, Parker Tower construction 4.5 M€. Free cash flows are lower than last year at the end of the period.

Directors

The directors who served during the year were:

M Bouhana
A Gros

Results and dividends

The results of the company are presented on page 6.

The directors do not recommend the payment of a dividend (2015: £ nil).

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with the Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ENGIE INEO UK Ltd

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

This report was approved by the board of directors on 20/10/2017 and signed on behalf of the board by:

AJP Gros
Director

Date:

20/10/2017

ENGIE INEO UK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE INEO UK LTD FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of ENGIE INEO UK Ltd for the year ended 31 December 2016 which comprise the statement of income and retained earnings, the statement of financial position and related notes (1-16). 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), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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 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 directors affairs as at 31 December 2015 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.

ENGIE INEO UK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE INEO UK LTD (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Opinion 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..

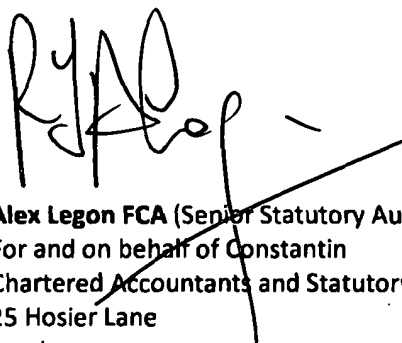
Matters on which we are required to report by exception

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 the 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.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

20 OCT 2017

Date:



Alex Legon FCA (Senior Statutory Auditor)
For and on behalf of Constantin
Chartered Accountants and Statutory Auditors
25 Hosier Lane
London
United Kingdom
EC1A 9LQ

ENGIE INEO UK Ltd

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Note	£	£
Turnover	4	9,380,508	5,332,708
Cost of sales		(7,139,341)	(3,956,235)
Gross profit		2,241,166	1,376,473
Administrative expenses		(1,851,928)	(1,077,228)
Operating profit	5	389,239	299,245
Interest payable and similar charges	8	-	(20)
Profit on ordinary activities before taxation		389,239	299,225
Tax on ordinary activities	9	(77,605)	(60,533)
Profit for the financial year and total comprehensive income		311,634	238,692
Retained earnings at the start of the year		938,507	699,815
Retained earnings at the end of the year		1,250,140	938,507

All the activities of the company are from continuing operations.

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

ENGIE INEO EI UK Ltd

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	--	1,308
Current assets			
Debtors	11	3,882,976	2,670,037
Cash at bank		<u>21,731</u>	<u>174,974</u>
		3,904,706	2,845,011
Creditors: amounts falling due within one year	12	<u>(2,653,566)</u>	<u>(1,906,812)</u>
Net current assets		<u>1,251,140</u>	<u>938,199</u>
Total assets less current liabilities		<u>1,251,140</u>	<u>939,507</u>
Net assets		<u>1,251,140</u>	<u>939,507</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		<u>1,250,140</u>	<u>938,507</u>
Shareholders' funds		<u>1,251,140</u>	<u>939,507</u>

The financial statements were approved by the board of directors and authorised for issue on 20/10/2017 and are signed on behalf of the board by:

AJP Gros

Director

Company registration number: 03577922

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

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Company information

ENGIE INEO UK Ltd (formerly known as Ineo UK Ltd) is a company limited by shares incorporated in England and Wales. The Company registration number is 03577922. The principal activity of the company is set out on the directors' report.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified for certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Cash Flow exemption

The company is a "qualifying company" for the purposes of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b).

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Related party transactions

In accordance with Financial Reporting Standard FRS 102 (section 33), 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 transactions.

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment	- 33% straight line
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive. Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay. Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

4. Turnover

The turnover is attributable to the one principal activity of the company, wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	1,308	2,094
Operating lease rentals:	18,509	18,564
Foreign exchange differences	43,469	(97,954)
Fees payable for the audit of the financial statements	13,040	9,952

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
Direct	10	8
Administrative	2	1
Total	12	9

The aggregate payroll costs incurred during the year were:

	2016	2015
	£	£
Wages and salaries	676,778	532,155
Social security costs	134,245	84,167
Total	811,022	616,322

7. Directors remuneration

During the year, the company's directors were remunerated by other members of the ENGIE SA.

No director received any emoluments from ENGIE INEO UK LTD (2015 - £ 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 £ 69 743 (2015 - £ 48 949).

8. Interest payable and similar charges

	2016	2015
	£	£
Bank loans and overdrafts	-	20

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9. Tax on profit on ordinary activities

Major components of tax expense:

	2016 £	2015 £
Current tax :		
UK Corporation Tax	<u>77,605</u>	<u>60,533</u>
Tax on profit on ordinary activities	<u>77,605</u>	<u>60,533</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20%

A reconciliation is given below:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>389,239</u>	<u>299,226</u>
Profit on ordinary activities by standard rate of tax	77,848	59,845
Effect of expenses not deductible for tax purposes	43	174
Movement in unrecognised deferred tax	<u>(286)</u>	<u>514</u>
Current tax charge for the year (see note above)	<u>77,605</u>	<u>60,533</u>

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10. Tangible assets

	Office equipment £
Cost	
At 1 January 2016	72,434
Additions	
At 31 December 2016	<u>72,434</u>
Depreciation	
At 1 January 2016	71,126
Charge for the year	<u>1,308</u>
At 31 December 2016	<u>72,434</u>
Net book value	
At 31 December 2016	<u>0</u>
At 31 December 2015	<u>1,308</u>

11. Debtors

	2016 £	2015 £
Trade debtors	1,270,651	1,536,131
Amounts due from group undertakings	75,930	75,715
VAT / Taxation and social security	412,595	
Deferred expenses	11,350	
Amounts recoverable on long term contracts	<u>2,112,450</u>	<u>1,058,191</u>
	<u>3,882,976</u>	<u>2,670,037</u>

Intercompany debtors are unsecured, interest free and repayable on demand.

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	960,643	318,587
Other Creditors		6,577
Amounts due to group undertakings	25,839	173,924
Corporation tax	77,605	101,893
Social security and other taxes	380,815	176,510
Accruals and deferred income	1,208,664	1129,321
	<u>2,653,566</u>	<u>1,906,812</u>

Intercompany creditors are unsecured, interest free and repayable on demand.

13. Called up share capital

Issued, called up and fully paid

	No	2016 £	No	2015 £
Share Capital	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

All shares rank pari-passu in all respect.

ENGIE INEO UK Ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14. Controlling party

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 Engie Ineo UK Ltd (formerly known as 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 Engie Ineo 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 (2015: £NIL).