

Registered number: 1341588

GRIGNY (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THURSDAY



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COMPANIES HOUSE

GRIGNY (UK) LIMITED

COMPANY INFORMATION

Directors	Y J ARBEILLE C ABITEBOUL A HEBERT
Company secretary	I ESMAIL
Registered number	1341588
Registered office	THE RIVERS OFFICE PARK DENHAM WAY MAPLE CROSS RICKMANSWORTH HERTFORDSHIRE WD3 9YS
Independent auditor	KPMG LLP Statutory Auditor Chartered Accountants 58 CLARENDON ROAD WATFORD WD17 1DE
Banker	HSBC BANK PLC 62-76 PARK STREET LONDON SE1 9DZ
Solicitor	HOGAN LOVELLS 65 HOLBORN VIADUCT LONDON EC1A 2DY

GRIGNY (UK) LIMITED

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GRIGNY (UK) LIMITED

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.

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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; 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 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.

Principal activity

The principal activity of Grigny in 2016 was supplying engineering and technical services to Renault Sport Racing Limited, Enstone and Renault Sport F1, Viry.

Business review

During 2016, the principal activity was providing F1 consultancy and engineering services.

On December 21st 2015 Grigny bought 90% of Lotus F1 Team Limited, now renamed Renault Sport Racing Limited.

Grigny's business going forward will be structured to support the F1 operations in Enstone and Viry-Châtillon.

Results and dividends

The loss for the year, after taxation, amounted to £644,271 (2015 - loss £581,378).

No dividends were paid to shareholders during the year either relating to the year ended 31 December 2016 or prior years. No dividend is proposed.

Directors

The directors who served during the year were:

Y J ARBEILLE
C ABITEBOUL

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

A HEBERT

Political contributions

During the year the Company did not make any donations for charitable purposes.

Company's policy for payment of creditors

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction. This ensures that suppliers are made aware of the terms of payment and abide by the terms.

Principal risks and uncertainties

The Directors of the Company meet from time to time to review the current trading activity and to forecast the activity for the remainder of the year. As part of this review, risks to the business are identified, evaluated and action plans formulated where deemed necessary.

The principal risks and uncertainties facing the Company are change from time to time according to the FIA's regulations which will affect its core business.

Impact of the referendum on UK in the European Union:

The result of the EU referendum has not as yet had any material impact on the sales or Renault's business in the UK. The major concern would be a significant reduction of the global activity of the UK.

Financial key performance indicators

Grigny has focused its attention on supplying engineering and technical services to Renault Sport Racing Limited, Enstone and Renault Sport F1, Viry.

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

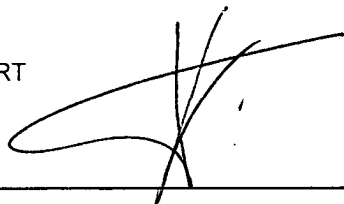
There have been no significant events affecting the Company since the year end.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 July 2017 and signed on its behalf.

Arnaud HEBERT
Director



GRIGNY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIGNY (UK) LIMITED

We have audited the financial statements of GRIGNY (UK) LIMITED for the year ended 31 December 2016, set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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 set out on page 1 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/UKNP.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIGNY (UK) LIMITED (CONTINUED)

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



David Simpson (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

58 CLARENDON ROAD
WATFORD
WD17 1DE

30 July 2017

GRIGNY (UK) LIMITED

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	422,655	366,794
Cost of sales		(205,907)	(317,076)
Gross profit		216,748	49,718
Administrative expenses		(847,151)	(755,878)
Operating loss	4	(630,403)	(706,160)
Interest receivable and similar income	6	1,647,838	145,725
Interest payable and expenses	7	(1,661,706)	(20,943)
Loss before tax		(644,271)	(581,378)
Loss for the year		(644,271)	(581,378)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		(644,271)	(581,378)

GRIGNY (UK) LIMITED
REGISTERED NUMBER: 1341588

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	9	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	10	79,851,891	57,585,992
		<u>79,851,891</u>	<u>57,585,992</u>
Creditors: amounts falling due within one year	11	(78,449,010)	(55,538,840)
		<u>(78,449,010)</u>	<u>(55,538,840)</u>
Net current assets		<u>1,402,881</u>	<u>2,047,152</u>
Total assets less current liabilities		<u>1,402,882</u>	<u>2,047,153</u>
Net assets excluding pension asset		<u>1,402,882</u>	<u>2,047,153</u>
Net assets		<u>1,402,882</u>	<u>2,047,153</u>
Capital and reserves			
Called up share capital	12	25,725,000	25,725,000
Profit and loss account		(24,322,118)	(23,677,847)
		<u>1,402,882</u>	<u>2,047,153</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2017.

Arnaud HEBERT
Director

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

GRIGNY (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	25,725,000	(23,677,847)	2,047,153
Comprehensive income for the year.			
Loss for the year	-	(644,271)	(644,271)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(644,271)	(644,271)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	25,725,000	(24,322,118)	1,402,882
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements.

GRIGNY (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	25,725,000	(23,096,469)	2,628,531
Comprehensive income for the year			
Loss for the year	-	(581,378)	(581,378)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(581,378)	(581,378)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	25,725,000	(23,677,847)	2,047,153
	<hr/>	<hr/>	<hr/>

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

GRIGNY (UK) LIMITED

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

1. General information

The principal activity of Grigny in 2016 was supplying engineering and technical services to Renault Sport Racing Limited, Enstone and Renault Sport F1, Viry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention and in accordance with Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council August 2014 and the Companies Act 2006.

The amendments to FRS 101 (2014/15 cycle) issued in July 2015 and effectively immediately have been applied.

Grigny (UK) Limited (the "Company") is a company incorporated and domiciled in the UK.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Renault S.A., includes the Company in its consolidated financial statements. The consolidated financial statements of Renault S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 13 – 15 Quai Alphonse Le Gallo, 92100 Boulogne Billancourt Cedex, France.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Renault S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The following principal accounting policies have been applied:

GRIGNY (UK) LIMITED

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

2. Accounting policies (continued)

2.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons:

As part of Renault Group's ongoing commitment to F1 racing, the company acquired the trade and assets of Lotus F1 Team Limited, now known as Renault Sport Racing Limited, in December 2015. Grignys business going forward will be structured to support the F1 operations in Enstone and Viry-Chatillion.

The company's loss for the year was £644,271 (2015: loss £581,378). The company's balance sheet principally comprises amounts receivable from Renault Sport Racing Limited of £79,851,421 (2015: £57,576,608) and amounts payable to Renault SA of £78,383,509 (2015: £55,388,340). Whilst these loans both expire within the next 12 months, discussion with group management have provided sufficient comfort that financial support, through the extension of both the loan receivable from Renault SA and subsequently payable to Renault Sport Racing Limited, provision of new loans or other financial investment will be provided for a period of at least 12 months from signing the financial statements, if required.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and there they continue to adopt the going concern principle in the financial statements."

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured , reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.5 Financial instruments

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

Non derivative financial instruments:

Trade and other debtors:

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

Trade and other 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

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Interest bearing borrowings:

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

GRIGNY (UK) LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Principal Activity	422,655	366,794
	<u>422,655</u>	<u>366,794</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
Europe	422,655	366,794
	<u>422,655</u>	<u>366,794</u>

In 2016 and 2015 turnover was generated from UK and France.

4. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Audit service	10,000	10,000
Loss on foreign exchange	-	23,000
Wages and salaries	649,587	851,000
Social security costs	194,933	119,000

The notional cost of Directors not remunerated through Grigny (UK) Limited , but borne by another group company, has been considered and is not deemed to be significant for the years ended 31 December 2016 or 31 December 2015.

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

2 Office and management staffs in 2016

2 Office and management staffs in 2015

GRIGNY (UK) LIMITED

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

5. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016 £	2015 £
Auditor's remuneration	10,000	10,000
	10,000	10,000

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent Company.

6. Interest receivable and similar income

Interest receivable in 2015 and 2016 wholly relates to income from group undertakings.

	2016 £	2015 £
Other interest receivable	1,647,838	145,725
	1,647,838	145,725

7. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	1,661,706	20,943
	1,661,706	20,943

GRIGNY (UK) LIMITED

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

8. Taxation

Factors affecting tax charge for the year

Corporation tax in the UK of 20.00% (2015 - 20.25%) The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	(644,271)	(581,378)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	(128,854)	(117,729)
Effects of:		
Non-taxable income	2,773	(25,268)
Group relief	126,081	142,997
Total tax charge for the year	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

GRIGNY (UK) LIMITED

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

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	1
At 31 December 2016	<u>1</u>
Net book value	
At 31 December 2016	<u>1</u>
At 31 December 2015	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Renault Sport Racing Limited	Ordinary	90 %	Motor Racing
Registered office 16 Old Bailey, London, EC4M 7EG, United Kingdom			

10. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	79,851,421	57,576,608
Other debtors	470	9,384
	<u>79,851,891</u>	<u>57,505,992</u>

The amounts owed by group undertakings (£79,851,421) are set out in Note 12.

GRIGNY (UK) LIMITED

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

11. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	78,338,509	55,388,340
Other creditors	1	-
Accruals and deferred income	110,500	150,500
	<u>78,449,010</u>	<u>55,538,840</u>

During the year the Company entered into transactions with Renault SA, the ultimate parent company. Renault granted a loan amounting to £78,338,509 (2015: £55,388,340), carrying 2.57% interest and over a term of 3 months. At the year end the full amount was still outstanding.

12. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
25,725,000 ORDINARY SHARES of £1 each	<u>25,725,000</u>	<u>25,725,000</u>

13. Related party transactions

During the year the Company entered into transactions with Renault Sport Racing Limited, a 90% subsidiary of the Company. The Company granted a loan amounting to £79,794,095 (2015: £57,505,704), carrying 2.82% interest and over a term of 3 months. At the year end the full amount was still outstanding.

14. Controlling party

The Company's immediate parent undertaking is Renault Développement Industriel et Commercial (RDIC), a company registered in France.
The ultimate parent undertaking and ultimate controlling party is Renault S.A., a company incorporated in France. This is the parent undertaking of the largest and smallest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of these financial statements may be obtained from 13 15 Quai Alphonse Le Gallo, 92100 Boulogne Billancourt Cedex, France.