

**GRIGNY (UK) LIMITED**

Company Registration No.1341588

**GRIGNY (UK) LIMITED**

**Report and Financial Statements**

**31 December 2014**

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# GRIGNY (UK) LIMITED

## REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2014

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# **GRIGNY (UK) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2014**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Y J Arbeille  
G Laroche - resigned 1<sup>st</sup> September 2014  
C Abiteboul - appointed 3<sup>rd</sup> July 2014  
J-M Jalinier - resigned 3<sup>rd</sup> July 2014  
A Hebert - appointed 1<sup>st</sup> September 2014

#### **SECRETARY**

I Esmail

#### **REGISTERED OFFICE**

The Rivers Office Park  
Denham Way  
Maple Cross  
Rickmansworth  
Hertfordshire  
WD3 9YS

#### **BANKER**

HSBC Bank PLC  
62-76 Park Street  
London  
SE1 9DZ

#### **SOLICITOR**

Hogan Lovells  
65 Holborn Viaduct  
London EC1A 2DY

#### **AUDITOR**

KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

# GRIGNY (UK) LIMITED

## STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2014.

### PRINCIPAL ACTIVITY

Following changes in the FIA engine regulations during 2014 where both KERS (Kinetic Energy Recovery System) and HERS (Heat Energy Recovery System) became an integral part of the engine, Grigny's principal activity of leasing KERTS and HERS ceased. The company reviews its business plans regularly in light of these new changed FIA regulations and continues to explore other activities to generate and develop revenue from its technical and engineering expertise.

In light of the above the company generated some revenue in 2014 by supplying engineering and technical services to Renault Sport F1.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During 2014 Grigny was able to generate £432k from the sale of engineering and technical services despite absence of turnover from KERS leasing activity

### KEY PERFORMANCE INDICATORS

Following changes in FIA regulations Grigny focused its attention on selling engineering and technical expertise to Racing Teams using Renault engines.

### 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 changes from time to time in the FIA's regulations that will affect its core business.

The company will review its business plans in light of changes in FIA regulations and explore other activities during 2015 to generate and develop revenue.

I Esmail

Company Secretary  
26<sup>th</sup> of May 2015

## **DIRECTORS' REPORT**

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

## **RESULTS AND DIVIDENDS**

The loss for the year after taxation was £804,321 (2013 loss of £516,534). No dividends were paid to shareholders during the year either relating to the year ended 31 December 2014 or prior years. No dividend is proposed.

## **GOING CONCERN**

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Business Review section of the Strategic Report on page 4.

Given the current changes in FIA regulations the Company is not expected to generate positive cash flows on its own account in the short term. Nevertheless the expected short term losses will be largely covered by the net equity. The company will review its business plans in light of changes in FIA regulations and explore other activities during 2015 to generate and develop revenue.

The Company will continue to participate in the group's centralized treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

## **DIRECTORS AND THEIR INTERESTS**

The present directors of the Company are shown on page 3. Directors of the Company throughout the year and at the yearend were : Y J Arbeille ; C Abiteboul and A Hebert

## **DIRECTORS' LOANS**

No unsecured non-interest-bearing loans were made to the directors.

## **CHARITABLE DONATIONS**

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

## **DISABLED EMPLOYEES**

The Company gives every consideration to applicants for employment from disabled persons where the requirements of the job may be adequately covered by a disabled or handicapped person.

With regards to existing employees and those who have become disabled during the year, the Company has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development and promotion whenever appropriate.

**DIRECTORS' REPORT (CONTINUED)**

**EMPLOYMENT INVOLVEMENT**

During the year, the policy of providing employees with information about the Company has continued

**DIRECTORS' AND OFFICERS' LIABILITY**

Directors' and officers' liability insurance has not been purchased by the Company during the year.

**SUPPLIER PAYMENT POLICY**

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.

**AUDITOR**

The directors who were members of the board at the time of approving the directors' report are listed on page 3.

Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors  
and signed on behalf of the Board

Arnaud Hebert

Finance Director  
26<sup>th</sup> of May 2015

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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; 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# GRIGNY (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIGNY (UK) LIMITED

We have audited the financial statements of Grigny (UK) Limited for the year ended 31 December 2014 set out on pages 9 to 16. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK 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 set out on page 7, 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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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 by, 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.



Derek McAllan (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants, Arlington Business Park, Theale, Reading RG7 4SD

27/3/15



# GRIGNY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
<b>TURNOVER</b>	2	432	6,960
Cost of sales		(394)	(6,383)
Gross profit		38	577
Selling and distribution costs		-	(2)
Administrative expenses		(847)	(1,098)
<b>OPERATING (LOSS)</b>	4	(809)	(523)
Interest receivable and similar income	5	5	6
<b>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(804)	(517)
Tax on loss on ordinary activities	6	-	-
<b>LOSS FOR THE YEAR</b>	10	(804)	(517)

All activities derive from continuing operations.

A statement of the movement in reserves and shareholders' funds is shown in note 10.

There are no recognised gains and losses other than the profit or losses for the period

The notes on pages 11 to 16 form part of these financial statements.

# GRIGNY (UK) LIMITED

## BALANCE SHEET

31 December 2014

	Note	2014 £'000	2013 £'000
<b>CURRENT ASSETS</b>			
Debtors - amounts falling due within one year	7	3,110	7,302
Cash at bank and in hand		-	-
		<u>3,110</u>	<u>7,302</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(481)	(3,869)
<b>NET CURRENT ASSETS</b>		<u>2,629</u>	<u>3,433</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,629</u>	<u>3,433</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>2,629</u>	<u>3,433</u>
<b>NET ASSETS</b>		<u><u>2,629</u></u>	<u><u>3,433</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	25,725	25,725
Profit and loss account	10	(23,096)	(22,292)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u><u>2,629</u></u>	<u><u>3,433</u></u>

These financial statements were approved by the Board of Directors on 26th of May 2015.

The Company's Registration Number is 1341588.

The notes on pages 11 to 16 form part of these financial statements.

Signed on behalf of the Board of Directors

Arnaud Hebert

Finance Director

26<sup>th</sup> of May 2015



# GRIGNY (UK) LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2014

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### **Accounting convention**

The accounts have been prepared under the historical cost convention.

The Company has taken advantage of the exemption allowed under Financial Reporting Standard No1 (Revised) "Cash flow statements" not to prepare a cash flow statement as it is a wholly-owned subsidiary of a parent company established under the law of a member state of the European Union, which prepares a cash flow statement.

#### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Business Review section of the Strategic Report on page 4.

Given the current changes in FIA regulations the Company is not expected to generate positive cash flows on its own account in the short term. Nevertheless the expected short term losses will be largely covered by the net equity. The company will review its business plans in light of changes in FIA regulations and explore other activities during 2015 to generate and develop revenue.

The Company will continue to participate in the group's centralized treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

# **GRIGNY (UK) LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

**Year ended 31 December 2014**

### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### **Foreign currencies**

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

Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling at the dates of the transactions. Translation differences are dealt with in the profit and loss account.

## **2. TURNOVER**

Turnover represents the invoiced amount of goods sold and services provided stated, net of Value Added Tax and other sales taxes. Turnover and pre-tax profit are attributable to engineering and technical services to Motor Racing Teams participating in the Formula 1 races. All turnover arises in the UK.

## **3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

There is no accrued pension or accrued lump sum in respect of any directors (2014: Nil) as their pension liabilities are met entirely by the parent company.

Directors are remunerated through other group entities and the services provided by the directors to the company are inconsequential versus their roles in respect of other group companies.

# GRIGNY (UK) LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2014

	2014 £'000	2013 £'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	727	512
Social security costs	136	116
	<u>863</u>	<u>628</u>
	2014 No.	2013 No.
<b>Average number of persons (including directors) employed</b>		
Office and management	6	5
	<u>6</u>	<u>5</u>
<b>4. OPERATING (LOSS)/PROFIT</b>		
	2014 £'000	2013 £'000
<b>Operating (loss)/profit is after charging/(crediting):</b>		
Auditor's remuneration:		
Audit services	10	10
Gain on foreign exchange	(52)	(41)
Loss on foreign exchange	8	43
	<u>8</u>	<u>43</u>
<b>5. Interest receivable and similar income</b>		
	2014 £'000	2013 £'000
Bank deposit accounts	5	6
	<u>5</u>	<u>6</u>

# GRIGNY (UK) LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2014

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(804)	(517)
Tax on ordinary activities at standard rate 21.5% (2013: 23.25%)	(173)	(120)
<i>Factors affecting charge for the year:</i>		
Capital allowances in excess of depreciation	-	12
Group Relief	173	108
Excess management expenses	-	-
Total actual amounts of current tax	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21.5%. The actual tax charge for the current and the previous year is different from the standard rate for the reasons set out in the following reconciliation.

#### Factors affecting future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

# GRIGNY (UK) LIMITED

## NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2014

### 7. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	166	2,553
Amounts owed by group undertakings:		
Fellow subsidiary	2,942	3,789
Other Debtors	2	960
	<u>3,110</u>	<u>7,302</u>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to group undertakings:		
Fellow subsidiary	284	3,413
Other creditors:		
Other creditors	-	1
Taxation and social security	-	203
Provisions	47	101
Accruals and deferred income	150	151
	<u>481</u>	<u>3,869</u>

### 9. CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised, allotted, called up and fully paid:		
25,725,000 ordinary shares of £1 each	<u>25,725</u>	<u>25,725</u>

### 10. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Issued share capital £'000	Profit and loss account £'000	Shareholders Funds £'000
At 31 December 2013	25,725	(22,292)	3,433
Loss for the year	-	(804)	(804)
At 31 December 2014	<u>25,725</u>	<u>(23,096)</u>	<u>2,629</u>

# **GRIGNY (UK) LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

**Year ended 31 December 2014**

### **11. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with transactions with 100% wholly owned and controlled Renault group companies who are related parties.

Transactions with the directors are disclosed in the directors' report.

### **12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's immediate parent undertaking is Renault Developpement Industrial et Comercial SAS, which is incorporated in France. The ultimate parent undertaking and ultimate controlling party is Renault, 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, 92513 Boulogne-Billancourt Cedex, France.