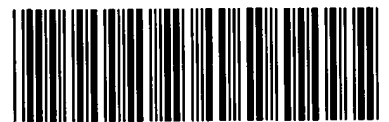


Registered number: 02070305

COFELY ENGINEERING SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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COFELY ENGINEERING SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	M Gallacher S Gregory J Jago
COMPANY SECRETARY	S Gregory
REGISTERED NUMBER	02070305
REGISTERED OFFICE	ENGIE Q3 Office Quorum Business Park Benton Lane Newcastle upon Tyne Tyne and Wear NE12 8EX
INDEPENDENT AUDITOR	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

COFELY ENGINEERING SERVICES LIMITED

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COFELY ENGINEERING SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of Cofely Engineering Services Limited ("the Company") was the design and installation of mechanical and electrical services and the project management of complete building services installations, however the Directors have decided to wind down the trading activities of the Company and therefore the income statement movements relate to the resolution of historic balances and movements in provisions.

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

S Pinnell (resigned 20 January 2020)
M Gallacher
S Gregory
J Jago (appointed 20 January 2020)

FUTURE DEVELOPMENTS

The Directors expect there to be no changes in the future activities or prospects of the Company.

FINANCIAL INSTRUMENTS

The Company monitors its exposure to risk on an ongoing basis. The Company's activities do not expose it to any material price risk, cash flow risk or foreign exchange risk. Owing to the nature of the Company's business and the assets and liabilities contained within the balance sheet, the financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. The Company has not used financial instruments to manage its exposure to these risks.

Credit risk

Credit risk arises on the Company's principal financial assets, which are amounts owed by group undertakings. The credit risk on amounts owed by group undertakings is not considered to be significant, given the group's strong credit rating.

Liquidity risk

The Company has no significant exposure to liquidity risk, as the financial liabilities of the Company are amounts owed to group undertakings. In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, which is particularly important given the ongoing economic crisis, the Company benefits from access to both short-term liquidity and longer-term financing support from the ENGIE group.

Within the UK & Ireland Business Unit ("UK BU"), of which the Company is a part, management has also explored alternative sources of liquidity including increased overdraft facilities from UK banks, the implementation of a Revolving Credit Facility and UK Government support offered via the COVID Corporate Financing Facility. However, despite such arrangements being readily available, this review has concluded that the ENGIE group financing is currently the most economical and rational solution for the Company. The Directors do not anticipate any issues in accessing necessary liquidity for the foreseeable future. The situation is, of course, under continual review.

COFELY ENGINEERING SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

GOING CONCERN

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements.

The Directors remain confident that both short-term liquidity and longer-term financing support is readily available from the ENGIE group (which has a BBB+ credit rating from Standard & Poor's), should this be required, and the Company has no reliance on external third-party debt. Further, the UK business has been offered or could obtain several financial support arrangements from the banking industry and although these are currently deemed unnecessary, this helps support the conclusion that no financing issues are currently foreseen. The Directors are therefore satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

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

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and both the Company and the ENGIE group are taking numerous actions to help weather the storm. The Company's and the ENGIE group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities. However, the Company is confident it has the financial support of the ENGIE group in relation to both short-term liquidity and longer-term financing solutions to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 28 September 2020 and signed on its behalf.



J Jago
Director

COFELY ENGINEERING SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFELY ENGINEERING SERVICES LIMITED

Opinion

We have audited the financial statements of Cofely Engineering Services Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 16 of the financial statements, which describes the potential financial and operational impact the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFELY ENGINEERING SERVICES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFELY ENGINEERING SERVICES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Ernst + Young LLP

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
13 October 2020

COFELY ENGINEERING SERVICES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Cost of sales - normal		(16)	(10)
Cost of sales - charge to provisions		(77)	(246)
Gross loss		(93)	(256)
Administrative expenses		(19)	(20)
Operating loss	4	(112)	(276)
Interest receivable and similar income	6	3	15
Loss before tax		(109)	(261)
Tax on loss	7	35	71
Loss for the financial year		(74)	(190)

There were no recognised gains and losses for 2019 or 2018 other than those included in the income statement and therefore no statement of comprehensive income has been presented.

The notes on pages 10 to 19 form part of these financial statements.

COFELY ENGINEERING SERVICES LIMITED
REGISTERED NUMBER: 02070305

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Current assets			
Debtors: amounts falling due within one year	8	1,270	1,879
		<u>1,270</u>	<u>1,879</u>
Creditors: amounts falling due within one year	9	(10,166)	(10,704)
Net current liabilities		<u>(8,896)</u>	<u>(8,825)</u>
Total assets less current liabilities		<u>(8,896)</u>	<u>(8,825)</u>
Provisions for liabilities			
Other provisions	11	(219)	(216)
		<u>(219)</u>	<u>(216)</u>
Net liabilities		<u><u>(9,115)</u></u>	<u><u>(9,041)</u></u>
Capital and reserves			
Called up share capital	12	23,966	23,966
Profit and loss account	13	(33,081)	(33,007)
Total deficit		<u><u>(9,115)</u></u>	<u><u>(9,041)</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 September 2020.

John Jago

J Jago
 Director

The notes on pages 10 to 19 form part of these financial statements.

COFELY ENGINEERING SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Profit and loss account £000	Total deficit £000
At 1 January 2018	23,966	(33,789)	(9,823)
Comprehensive loss for the year			
Loss for the financial year	-	(190)	(190)
Total comprehensive loss for the year	-	(190)	(190)
Transfer of pension scheme	-	972	972
At 1 January 2019	23,966	(33,007)	(9,041)
Comprehensive loss for the year			
Loss for the financial year	-	(74)	(74)
Total comprehensive loss for the year	-	(74)	(74)
At 31 December 2019	23,966	(33,081)	(9,115)

The notes on pages 10 to 19 form part of these financial statements.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

The financial statements of Cofely Engineering Services Limited for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 28 September 2020 and the statement of financial position was signed on the Board's behalf by J Jago.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is Engie Q3 Office, Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, Tyne and Wear, NE12 8EX.

The results of the Company are included in the consolidated financial statements of Engie S.A., which are available from ENGIE, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The functional and presentation currency of the Company is Pounds Sterling ("£") and all values in these financial statements are rounded to the nearest thousand pounds ("£'000") except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 GOING CONCERN

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements.

The Directors remain confident that both short-term liquidity and longer-term financing support is readily available from the ENGIE group (which has a BBB+ credit rating from Standard & Poor's), should this be required, and the Company has no reliance on external third-party debt. Further, the UK business has been offered or could obtain several financial support arrangements from the banking industry and although these are currently deemed unnecessary, this helps support the conclusion that no financing issues are currently foreseen. The Directors are therefore satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

2.4 INTEREST INCOME

Interest income is recognised in the income statement using the effective interest method.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TAXATION

The tax for the year comprises current tax. Tax is recognised in the income statement, except that an expense attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.7 DEBTORS

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

2.8 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.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)**2.9 FINANCIAL INSTRUMENTS**

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

Financial assets and financial liabilities are initially measured at fair value in accordance with IFRS 9.

Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company requires expected lifetime losses to be recognised from initial recognition of the receivables. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year. The resulting accounting estimates will therefore will, by definition, seldom equal the related actual results.

The following judgments, estimates and assumptions have had the most significant effect on amounts recognised in the financial statements:

Provisions and accruals for liabilities

Management estimation is required to determine the appropriate amounts of provisions and accruals for certain administrative expenses. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Claims and legal proceedings

The Company is party to a number of claims and legal proceedings in the ordinary course of business. Management consults with legal experts on issues related to legal disputes and with other experts internal or external to the Company on issues related to the ordinary course of business. It is management's best estimate that the Company is not involved in legal proceedings or arbitration that may be deemed to have a materially negative effect on the business, the financial position or results of operations.

4. OPERATING LOSS

The Company has no employees (2018: none). All Directors' remuneration is paid by fellow group undertakings in respect of their services to group companies. The Directors' services to the Company do not occupy a significant amount of time and consequently no allocation can be made to the Company, nor its subsidiaries, for qualifying services for the year (2018: £nil).

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. AUDITOR'S REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>7</u>	<u>6</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Interest receivable from group undertakings	<u>3</u>	<u>15</u>

7. TAXATION

	2019 £000	2018 £000
CORPORATION TAX		
Current tax on loss for the year	(37)	(70)
Adjustments in respect of previous periods	2	(1)
TOTAL CURRENT TAX	<u>(35)</u>	<u>(71)</u>

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year is higher than (2018: *higher than*) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£000	£000
Loss before tax	(109)	(261)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(21)	(50)
EFFECTS OF:		
Adjustments to tax in respect of previous periods	2	(1)
Deferred tax not recognised	(15)	(178)
IAS 19 pension movements	-	160
Effect of change in standard rate of corporation tax	(1)	(2)
TOTAL TAX CREDIT FOR THE YEAR	(35)	(71)

FACTORS THAT MAY AFFECT FUTURE TAX EXPENSES

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 (on 6 September 2016). This included a reduction to the main rate to 17% from 1 April 2020.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

It is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not be material to these financial statements.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. DEBTORS

	2019	2018
	£000	£000
Amounts owed by group undertakings	369	1,010
Group relief receivable owed by group undertakings	901	866
Other debtors	-	3
	1,270	1,879

Included in amounts owed by group undertakings is a balance of £65,000 (2018: £706,000) held in a group cash pool arrangement, which is available on demand.

9. CREDITORS: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	-	4
Amounts owed to group undertakings	10,166	10,700
	10,166	10,704

Amounts owed to group undertakings are unsecured and interest free.

10. FINANCIAL INSTRUMENTS

	2019	2018
	£000	£000
FINANCIAL ASSETS		
Financial assets measured at amortised cost	1,270	1,879
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(10,166)	(10,704)

Financial assets measured at amortised cost comprise amounts owed by group undertakings, group relief receivable owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and amounts owed to group undertakings.

COFELY ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. PROVISIONS

	Other provisions £000
At 1 January 2019	216
Charged to the income statement	77
Utilised in year	(74)
AT 31 DECEMBER 2019	219

Other provisions relate to claims in respect of industrial diseases.

12. CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
Allotted, called up and fully paid		
23,966,000 (2018: 23,966,000) Ordinary shares of £1.00 each	23,966	23,966

13. RESERVES

Profit and loss account

The profit and loss account records the cumulative amount of profits and losses less any distributions of dividends.

14. PENSION COMMITMENTS

The Company operated a defined benefit pension scheme, the Axima Building Services Defined Benefit Pension Scheme ("the scheme"), however during the prior year, the scheme was merged with the ENGIE Defined Benefit Pension Scheme operated by ENGIE Services Limited. The assets and liabilities of the scheme were transferred as at 31 January 2018 and the transfer was recognised in the statement of changes in equity within the 'transfer of pension scheme' line.

15. CONTINGENT LIABILITIES

The Company has received claims from previous employees in respect of industrial diseases. Any claim related to the years 1938-1969 and 1982-1991 were insured by a company that became insolvent and unable to honour its claims. The financial statements provide £219,000 (2018: £216,000) relating to claims received to date. It is not practicable to estimate reliably the financial effect of future claims and so the Directors have not recorded any additional provisions.

COFELY ENGINEERING SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. POST BALANCE SHEET EVENTS

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and both the Company and the ENGIE group are taking numerous actions to help weather the storm. The Company's and the ENGIE group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities. However, the Company is confident it has the financial support of the ENGIE group in relation to both short-term liquidity and longer-term financing solutions to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

17. CONTROLLING PARTY

The immediate parent company of Cofely Engineering Services Limited is ENGIE UK Holding (Services) Limited, a company registered in England and Wales. The Directors regard ENGIE S.A. as the ultimate parent company and controlling party of Cofely Engineering Services Limited. ENGIE S.A. is registered in France.

The parent undertaking of the smallest and largest group which includes the Company for which consolidated financial statements are prepared is ENGIE S.A.

Copies of the group's consolidated financial statements may be obtained from ENGIE, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.