
ENGIE DE HOLDING COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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ENGIE DE HOLDING COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS	G Proctor P Rawson
COMPANY SECRETARY	S Gregory
REGISTERED NUMBER	02240219
REGISTERED OFFICE	ENGIE Q3 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8EX
INDEPENDENT AUDITORS	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

ENGIE DE HOLDING COMPANY LIMITED

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ENGIE DE HOLDING COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2016.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of ENGIE DE Holding Company Limited ("the company") is that of a holding company.

PRINCIPAL RISKS AND UNCERTAINTIES

The identification, assessment, pursuit and management of opportunities and the associated risks is an integral part of the management and processes of the company. The company has rigorous processes in place for managing the exposure within a specified opportunities and risk management framework that applies to all activities of the company, including:

Investment risk

The company acts as a holding company of investments. The main risk facing the company is the underlying performance of its subsidiary companies. The directors assess this by ensuring the subsidiaries have sufficient resources from within the ENGIE UK group to be able to continue trading.

FINANCIAL KEY PERFORMANCE INDICATORS

Due to the company's activities, being that of a holding company, financial and other key performance indicators are not considered necessary for an understanding of the development, performance or position of the company.

GOING CONCERN

The directors have considered the company's current and future prospects and its availability of financing from within the ENGIE group and are 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 the directors continue to adopt the going concern basis of preparation for these financial statements.

This report was approved by the Board on 3 May 2017 and signed on its behalf.

G Proctor
Director



ENGIE DE HOLDING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £nil (2015: £nil).

The directors do not recommend the payment of a dividend for the year ended 31 December 2016 (2015: £nil).

DIRECTORS

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

G Proctor (appointed 1 January 2016)
R Blumberger (resigned 31 January 2016)
P Rawson

FUTURE DEVELOPMENTS

The directors expect there to be no changes in the future activities or prospects of the company. The company will continue to act as a holding company for ENGIE Urban Energy Group Limited.

FINANCIAL INSTRUMENTS

The company monitors its exposure to risk on an on-going basis. The company's activities do not expose it to any material price risk, cash flow risk or foreign exchange risk. Due 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 change its exposure to these risks.

Credit risk

The company has no significant exposure to credit risk, as the financial assets of the company are amounts owed by group undertakings.

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 on-going operations and future developments, the company has access to banking facilities and loans from group companies.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Company officers and duly appointed delegates thereof, are indemnified by the ENGIE global directors and officers policy ("the policy") in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force throughout the year and remains in force as at the date of approving these financial statements.

ENGIE DE HOLDING COMPANY LIMITED

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

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

This report was approved by the Board on 3 May 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'G Proctor', written over a horizontal line.

G Proctor
Director

ENGIE DE HOLDING COMPANY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 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 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 ENGIE DE HOLDING COMPANY LIMITED

We have audited the financial statements of ENGIE DE Holding Company Limited for the year ended 31 December 2016 which comprise the Statement of Financial Position and the related notes 1 to 10. 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 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 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 4, 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 and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ 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.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

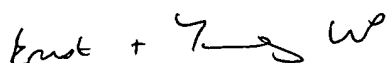
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE DE HOLDING COMPANY LIMITED (CONTINUED)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Handwritten signature of Ernst & Young, consisting of the word 'Ernst' followed by a plus sign and a stylized 'Y' and 'W'.

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
4 May 2017

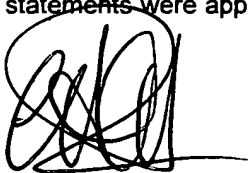
ENGIE DE HOLDING COMPANY LIMITED
REGISTERED NUMBER: 02240219

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	5	550	550
		<u>550</u>	<u>550</u>
Current assets			
Debtors: amounts falling due within one year	6	3,730	5,221
		<u>3,730</u>	<u>5,221</u>
Creditors: amounts falling due within one year	7	(10,437)	(11,928)
		<u>(6,707)</u>	<u>(6,707)</u>
Net current liabilities		<u>(6,707)</u>	<u>(6,707)</u>
Total assets less current liabilities		<u>(6,157)</u>	<u>(6,157)</u>
Net liabilities		<u>(6,157)</u>	<u>(6,157)</u>
Capital and reserves			
Called up share capital	9	1,782	1,782
Profit and loss account		(7,939)	(7,939)
		<u>(6,157)</u>	<u>(6,157)</u>
Total deficit		<u>(6,157)</u>	<u>(6,157)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 3 May 2017.

G Proctor
Director



The notes on pages 8 to 13 form part of these financial statements.

ENGIE DE HOLDING COMPANY LIMITED

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

1. GENERAL INFORMATION

The financial statements of ENGIE DE Holding Company Limited for the year ended 31 December 2016 were authorised for issue by the Board of directors on 3 May 2017 and the statement of financial position was signed on the Board's behalf by G Proctor.

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, 16 Rue de la Ville l'Eveque, 75383 Paris, Cedex 08, 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 company is itself a subsidiary company and is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

ENGIE DE HOLDING COMPANY LIMITED

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

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

The directors have considered the company's current and future prospects and its availability of financing from within the ENGIE group and are 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 the directors continue to adopt the going concern basis of preparation for these financial statements.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.5 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.

ENGIE DE HOLDING COMPANY LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

2.7 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.

ENGIE DE HOLDING COMPANY LIMITED

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

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

There are no areas involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements.

4. OPERATING PROFIT

The company has no employees other than the directors (2015: none). All directors' remuneration is paid by a fellow group undertaking in respect of their services to group companies. The directors' services to the company do not occupy a significant amount of time and consequently the directors do not feel that they have received any remuneration for their incidental services to this company for the year (2015: £nil).

The fees payable to the company's auditors for the audit of the annual financial statements of the company, amounting to £2,000 (2015: £7,000), have been borne by the subsidiary undertaking, ENGIE Urban Energy Limited.

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST	
At 1 January 2016	550
At 31 December 2016	550
NET BOOK VALUE	
At 31 December 2016	550
At 31 December 2015	550

The directors believe that the carrying value of the investments is supported by their underlying net assets.

ENGIE DE HOLDING COMPANY LIMITED

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

5. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activities
Engie Urban Energy Group Limited	Ordinary	100%	Holding company
Leicester District Energy Company Limited *	Ordinary	100%	Energy services
Engie Urban Energy Limited *	Ordinary	100%	Energy services
Birmingham District Energy Company Limited *	Ordinary	100%	Energy services
Coventry District Energy Company Limited *	Ordinary	100%	Energy services
Excel District Energy Company Limited *	Ordinary	100%	Energy services
Bloomsbury Heat & Power Limited *	Ordinary	100%	Energy services
The Southampton Geothermal Heating Company Limited *	Ordinary	100%	Energy services
Gower Street Heat & Power Limited *	Ordinary	100%	Non-trading
Industrielle de Chauffage Enterprise United Kingdom Limited *	Ordinary	100%	Design engineering services

* These shares are indirectly held by the company.

The subsidiary undertakings are all incorporated in England and Wales and the registered office is ENGIE Q3 Office, Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, Tyne and Wear, NE12 8EX.

6. DEBTORS

	2016	2015
	£000	£000
Amounts owed by group undertakings	3,530	5,021
Group relief receivable owed by group undertakings	200	200
	3,730	5,221

7. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	10,437	11,928

Amounts owed to group undertakings are unsecured and interest free.

ENGIE DE HOLDING COMPANY LIMITED

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

8. FINANCIAL INSTRUMENTS

	2016	2015
	£000	£000
FINANCIAL ASSETS		
Loans and receivables	3,730	5,221
	<u> </u>	<u> </u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(10,437)	(11,928)
	<u> </u>	<u> </u>

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

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

9. CALLED UP SHARE CAPITAL

	2016	2015
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
1,782,000 Ordinary shares of £1 each	1,782	1,782
	<u> </u>	<u> </u>

10. CONTROLLING PARTY

The immediate parent company of ENGIE DE Holding Company Limited is ENGIE Services Holding UK Limited, a company registered in England and Wales. The directors regard ENGIE S.A. as the ultimate parent company and controlling party of ENGIE DE Holding Company 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, 16 Rue de la Ville l'Eveque, 75383 Paris, Cedex 08, France.