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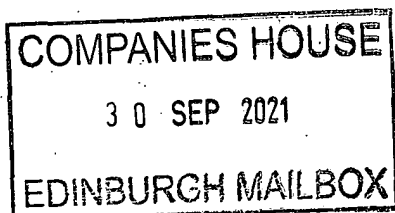
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**ENGIE DE HOLDING COMPANY LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**ENGIE DE HOLDING COMPANY LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S Hockman B Lala
<b>COMPANY SECRETARY</b>	S Gregory
<b>REGISTERED NUMBER</b>	02240219
<b>REGISTERED OFFICE</b>	ENGIE Q3 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8EX
<b>INDEPENDENT AUDITOR</b>	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

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**ENGIE DE HOLDING COMPANY LIMITED**

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## **ENGIE DE HOLDING COMPANY LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **INTRODUCTION**

The Directors present their strategic report for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITIES**

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

#### **BUSINESS REVIEW**

The Company has been dormant throughout the year and preceding year, as defined in section 1169 of the Companies Act 2006. Consequently, neither an income statement, statement of comprehensive income, nor a statement of changes in equity have been presented. It is anticipated the Company will remain dormant for the following financial year.

The world continues to face the COVID-19 pandemic on an unprecedented scale, which is resulting in a health and economic crisis.

In response to the crisis, both the Company and the ENGIE group are continuing to take action to help mitigate the impact of the pandemic. The Company's and the ENGIE group's top priority clearly remains the health and safety of all its stakeholders, especially its employees.

Given the activities of the Company, there has been no impact of the pandemic on the results or position of the Company during the financial year.

The Company and the ENGIE group have no experience of a similar crisis, although 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.

#### **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 a deterioration in the recoverable amount of its investments in subsidiary undertakings, which reflects their underlying performance and future prospects. The Directors assess the recoverable amounts of investments annually or when indicators of impairment exist, by performing an impairment test, comparing for each investment the recoverable amount with its carrying value. Only if there is an impairment loss is the carrying value reduced to the recoverable amount.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

Owing 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. The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at operating business, business unit and group level.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006)**

**Long term consequences of decisions made in year**

The Company is a holding company and therefore the key stakeholders have been determined to be the Company's parent and subsidiary undertakings. The decisions made in the year have been outlined within the business review and have been made with a view to strengthening the position of the Company and its subsidiary undertakings going forward. There are no KPI's used by the Company in measuring performance.

**Fostering business relationships with suppliers, customers and other stakeholders**

The Company aligns to a set of standards that support stakeholder engagement efforts and for responsible procurement, the Company aligns to the ISO 20400 Sustainable Procurement Standard.

The Company's relationship with its parent and subsidiary undertakings, is managed at a UK & Ireland Business Unit ("UK BU") level, of which the Company is a part, to ensure the success of the UK BU and the ENGIE group overall.

**Impact of the Company's operations on the community and environment**

As a holding company, the Company's impact on the community and environment is minimal, however the ENGIE group strategy overall is heavily focused on leading in the zero-carbon transition. More information on this can be found at <https://www.engie.com/en/group/our-vision/our-strategy>.

**The maintenance of high standards of conduct**

The UK Directors maintain high standards of business conduct by ensuring that activities of the UK BU companies of ENGIE are in line with ENGIE's Ethics Charter, policies and codes of conduct. The overarching Ethics Charter includes a zero tolerance for all forms of corruption and is supplemented with a range of more specific policies and practical guidelines which deal with areas such as supplier relationships, conflicts of interest and gifts and hospitality. All Board members have received training in this respect. The Directors' actions are also guided by ENGIE's core values: Bold, Open, Caring and Demanding, which help define the UK BU companies' strategies and targets. Additional assurance that high standards of conduct are maintained is gained from the oversight and guidance the companies receive from the independent Scrutiny Board, which is a non-statutory oversight committee appointed to assess activities against the Responsible Business Charter. The Responsible Business Charter aims to ensure that ENGIE operates to the highest economic, social and environmental standards while building and maintaining public trust.

**Summary of methods used by the Directors to engage with stakeholders and understanding issues relevant to key decisions**

The Directors utilise a full range of communication channels managed at the UK BU level to engage with stakeholders. These include face to face meetings (virtual and in person), forums and events, reports and other written materials, as well as through public relations activity, targeted digital content and social media.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**GOING CONCERN**

Given the current health and economic crisis which has evolved during the financial year and has continued since the 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. Clearly the current situation is having an adverse impact on trading results and cash inflow for the Company's subsidiary undertakings.

Several initiatives have been implemented to protect the financial standing of the Company and its subsidiary undertakings. A significant number of employees were furloughed during the crisis, taking advantage of funding available from the Government, capital expenditure and discretionary spend restrictions have been enforced, VAT payments were deferred (allowed in accordance with HMRC guidelines) and direct pandemic related costs continue to be closely monitored. Detailed cash flow forecasting is taking place and the situation continues to be reviewed on an ongoing basis involving regular communication with the ENGIE group.

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. For this reason, the Directors have continued to adopt the going concern basis in preparing these financial statements.

As mentioned in the post balance sheet events disclosure, during 2020 the ENGIE group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, employee representative consultation related to the proposed organisation design for the new entity was launched. This consultation is expected to conclude by the end of the second quarter of 2021. The ENGIE group will consider next steps and review future ownership options for the potential new entity in the second half of this year. ENGIE will consider all options to maximise value and will act in the interests of all stakeholders.

The Company has received a letter of support from ENGIE S.A. The Directors have considered the ability of ENGIE S.A. to provide the required financial support to the Company and have satisfied themselves that ENGIE S.A. is able to provide support for a period of the earlier of not less than twelve months from the approval of these financial statements, or, should the Strategic Review result in part of its Client Solutions business and therefore, the Company, no longer forming a component of the ENGIE group, until the Company no longer remains part of the ENGIE group.

At the date of signing these financial statements, the group has not decided to dispose of part of its Client Solutions business line, of which the Company is a component. However, it is possible that the Company will no longer remain a subsidiary of ENGIE S.A. following the outcome of the Strategic Review and therefore the Directors are unable to control all scenarios for the Company's future, including its funding arrangements. The unknown outcome of the Strategic Review is considered a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. Accordingly the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would be required if the company were unable to continue as a going concern.

The Directors believe that should the Strategic Review result in a change in ownership of part of the ENGIE group's Client Solutions business line, it will not result in the separate disposal of this company, and a new owner would secure suitable alternative funding arrangements for the Client Solutions business as part of their acquisition plan, to ensure the business is successful.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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This report was approved by the Board on 2 September 2021 and signed on its behalf.

DocuSigned by:

*Bilal Lala*

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**B Lala**  
Director

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## ENGIE DE HOLDING COMPANY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their report and the audited financial statements for the year ended 31 December 2020.

#### RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to £nil (2019: £nil).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

#### DIRECTORS

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

A Hart (resigned 30 June 2021)  
L Kitchen (resigned 30 June 2021)  
S Hockman (appointed 1 July 2021)  
B Lala (appointed 1 July 2021)

#### 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 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

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 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 BU, 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, which was available during the height of the pandemic. 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.

#### ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The information in respect of business relationships has been disclosed in the strategic report.



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**ENGIE DE HOLDING COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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**

Following the announcement in July 2020 of a new strategic orientation to simplify the ENGIE group and accelerate growth in renewables and infrastructure assets, ENGIE has delivered progress at pace, despite the challenging backdrop. A strategic review of part of the Client Solutions business was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

In February 2021, the employee representatives' consultation, related to the proposed organisation design for the new entity, was launched. The ENGIE group will consider next steps and review future ownership options for the potential new entity in the second half of this year. ENGIE will consider all options to maximise value and will act in the interests of all stakeholders. The review of Client Solutions remains on track and from 1 July 2021, in the UK & Ireland, all of ENGIE's activity in technical services and facilities management, energy efficiency and regeneration now form part of the newly launched EQUANS brand.

This report was approved by the Board on 2 September 2021 and signed on its behalf.

DocuSigned by:

*Bilal Lala*

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**B Lala**  
Director

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**ENGIE DE HOLDING COMPANY LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 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 ENGIE DE HOLDING COMPANY LIMITED**

### **Opinion**

We have audited the financial statements of ENGIE DE Holding Company Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Financial Position and the related notes 1 to 12, 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 2020 and of its result 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. 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.

### **Material uncertainty relating to going concern**

We draw your attention to note 2.3 to the financial statements, which indicates that the directors have prepared the financial statements on a going concern basis, as they have a parental support letter from ENGIE S.A. forming part of their going concern assessment. That support is conditional on the company remaining part of the ENGIE group, however the ENGIE group has initiated a Strategic Review of part of its Client Solutions business line, of which the company is a component, which may result in the company no longer being part of the ENGIE group. As stated in note 2.3, these events or conditions, along with the other matters set forth in note 2.3, indicate a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE DE HOLDING COMPANY 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 contained within the annual report.

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.

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 course of 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 themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

### **Responsibilities of directors**

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, 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 ENGIE DE HOLDING COMPANY 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.


Due to the simplicity of the company's activities and the small number of transactions our procedures focussed on:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the company, and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct tax compliance regulations in the United Kingdom.
- Understanding how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where applicable.
- Assessing the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Designing, based on this understanding, our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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.



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
2 September 2021

**ENGIE DE HOLDING COMPANY LIMITED**  
**REGISTERED NUMBER: 02240219**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	5	550	550
		<u>550</u>	<u>550</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	3,730	3,730
		<u>3,730</u>	<u>3,730</u>
Creditors: amounts falling due within one year	7	(10,437)	(10,437)
		<u>(6,707)</u>	<u>(6,707)</u>
<b>Net current liabilities</b>		<u>(6,707)</u>	<u>(6,707)</u>
<b>Total assets less current liabilities</b>		<u>(6,157)</u>	<u>(6,157)</u>
<b>Net liabilities</b>		<u>(6,157)</u>	<u>(6,157)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,782	1,782
Profit and loss account	10	(7,939)	(7,939)
		<u>(6,157)</u>	<u>(6,157)</u>
<b>Total deficit</b>		<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 2 September 2021.

DocuSigned by:

*Bilal Lala*

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**B Lala**  
 Director

The notes on pages 12 to 20 form part of these financial statements.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. GENERAL INFORMATION**

The financial statements of ENGIE DE Holding Company Limited for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 2 September 2021 and the statement of financial position was signed on the Board's behalf by B Lala.

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 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:

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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



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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

Given the current health and economic crisis which has evolved during the financial year and has continued since the 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. Clearly the current situation is having an adverse impact on trading results and cash inflow for the Company's subsidiary undertakings.

Several initiatives have been implemented to protect the financial standing of the Company and its subsidiary undertakings. A significant number of employees were furloughed during the crisis, taking advantage of funding available from the Government, capital expenditure and discretionary spend restrictions have been enforced, VAT payments were deferred (allowed in accordance with HMRC guidelines) and direct pandemic related costs continue to be closely monitored. Detailed cash flow forecasting is taking place and the situation continues to be reviewed on an ongoing basis involving regular communication with the ENGIE group.

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. For this reason, the Directors have continued to adopt the going concern basis in preparing these financial statements.

As mentioned in the post balance sheet events disclosure, during 2020 the ENGIE group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, employee representative consultation related to the proposed organisation design for the new entity was launched. This consultation is expected to conclude by the end of the second quarter of 2021. The ENGIE group will consider next steps and review future ownership options for the potential new entity in the second half of this year. ENGIE will consider all options to maximise value and will act in the interests of all stakeholders.

The Company has received a letter of support from ENGIE S.A. The Directors have considered the ability of ENGIE S.A. to provide the required financial support to the Company and have satisfied themselves that ENGIE S.A. is able to provide support for a period of the earlier of not less than twelve months from the approval of these financial statements, or, should the Strategic Review result in part of its Client Solutions business and therefore, the Company, no longer forming a component of the ENGIE group, until the Company no longer remains part of the ENGIE group.

At the date of signing these financial statements, the group has not decided to dispose of part of its Client Solutions business line, of which the Company is a component. However, it is possible that the Company will no longer remain a subsidiary of ENGIE S.A. following the outcome of the Strategic Review and therefore the Directors are unable to control all scenarios for the Company's future, including its funding arrangements. The unknown outcome of the Strategic Review is considered a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. Accordingly the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would be required if the company were unable to continue as a going concern.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less any 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, plus transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 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.

**2.7 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.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 FINANCIAL INSTRUMENTS (continued)**

**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.

**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. However, the nature of estimation means the actual outcomes could differ from those estimates.

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

**Carrying value of investments**

The carrying values of investments is dependent on the future profits and cash flows of the relevant group companies. The Directors have performed an assessment of the recoverability of both investments and intercompany balances in line with the Company's accounting policy, in light of future projected profitability and cash flows, which requires the use of estimates. The Directors have concluded that the carrying value of investments is supported and that all amounts are fully recoverable.

**4. OPERATING PROFIT**

The Company has no employees (2019: 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 (2019: £nil).

The fees payable to the Company's auditor for the audit of the annual financial statements of the Company, amounting to £2,000 (2019: £2,000), have been borne by the subsidiary undertaking, ENGIE Urban Energy Limited.

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**5. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>COST</b>	
At 1 January 2020	<b>550</b>
	<hr/>
At 31 December 2020	<b>550</b>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<b>550</b>
	<hr/> <hr/>
At 31 December 2019	<b>550</b>
	<hr/> <hr/>

The Directors believe that the carrying value of the investments is supported by their forecast cash flows.

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**ENGIE DE HOLDING COMPANY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**5. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
ENGIE Urban Energy Group Limited	Ordinary	100%
ENGIE Urban Energy Limited *	Ordinary	100%
Birmingham District Energy Company Limited *	Ordinary	100%
Coventry District Energy Company Limited *	Ordinary	100%
Excel District Energy Company Limited *	Ordinary	100%
Leicester District Energy Company Limited *	Ordinary	100%
Bloomsbury Heat & Power Limited *	Ordinary	100%
The Southampton Geothermal Heating Company Limited *	Ordinary	100%
Gower Street Heat & Power Limited * ^	Ordinary	100%
Industrielle de Chauffage Enterprise United Kingdom Limited * ^	Ordinary	100%
Regenerate Newcastle Supply Co Limited *	Ordinary	90%

\* These shares are indirectly held by the Company.

^ These companies were placed into liquidation on 3 November 2020.

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.

**OTHER INVESTMENTS**

The Company also indirectly holds 40% of the ordinary share capital of Regenerate Newcastle Asset Co Limited, which is incorporated in England and Wales and the registered office is Democratic Services, Barras Bridge, Newcastle-upon-Tyne, NE99 1RD.

**6. DEBTORS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>3,530</b>	<b>3,530</b>
Group relief receivable owed by group undertakings	<b>200</b>	<b>200</b>
	<b>3,730</b>	<b>3,730</b>

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**ENGIE DE HOLDING COMPANY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**7. CREDITORS: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>10,437</b>	<b>10,437</b>

Amounts owed to group undertakings are unsecured and interest free.

**8. FINANCIAL INSTRUMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	<b>3,730</b>	<b>3,730</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b>(10,437)</b>	<b>(10,437)</b>

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**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
1,782,000 (2019: 1,782,000) Ordinary shares of £1.00 each	<b>1,782</b>	<b>1,782</b>

**10. RESERVES****Profit and loss account**

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

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**ENGIE DE HOLDING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. POST BALANCE SHEET EVENTS**

Following the announcement in July 2020 of a new strategic orientation to simplify the ENGIE group and accelerate growth in renewables and infrastructure assets, ENGIE has delivered progress at pace, despite the challenging backdrop. A strategic review of part of the Client Solutions business was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

In February 2021, the employee representatives' consultation, related to the proposed organisation design for the new entity, was launched. The ENGIE group will consider next steps and review future ownership options for the potential new entity in the second half of this year. ENGIE will consider all options to maximise value and will act in the interests of all stakeholders. The review of Client Solutions remains on track and from 1 July 2021, in the UK & Ireland, all of ENGIE's activity in technical services and facilities management, energy efficiency and regeneration now form part of the newly launched EQUANS brand.

**12. 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, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.