DocuSign Envelope ID: 5D121226-62E6-4AFB-80C8-25C037A3DD7F

Registered number: 03810466

EQUANS BUILDINGS LIMITED (FORMERLY ENGIE BUILDINGS LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

EQUANS BUILDINGS LIMITED (FORMERLY ENGIE BUILDINGS LIMITED)

COMPANY INFORMATION

DIRECTORS	A Pollins J-P Loiseau B Lala
COMPANY SECRETARY	P Moens
REGISTERED NUMBER	03810466
REGISTERED OFFICE	Equans Q10 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8BU
INDEPENDENT AUDITOR	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The Directors present their strategic report for the year ended 31 December 2021. The Company changed its name from ENGIE Buildings Limited to EQUANS Buildings Limited on 4 April 2022.

PRINCIPAL ACTIVITIES

The principal activity of EQUANS Buildings Limited ("the Company") is the provision of facilities management in the United Kingdom and Ireland.

BUSINESS REVIEW

Turnover for the financial year under review was £97,945,000 *(2020: £89,008,000)* and the profit before tax for the financial year under review was £8,209,000 *(2020: £11,799,000)*.

The Company had cash at bank and in hand of £469,000 at 31 December 2021 *(2020: £799,000)* and £47,745,000 *(2020: £32,158,000)* held in a group cash pool arrangement.

The Company continues to have a strong balance sheet with total equity of £17,890,000 *(2020: £21,266,000)*.

The world continued to face the COVID-19 pandemic, albeit the UK transitioned towards living with the virus during the year, resulting in a reduced health and economic impact on the business.

In response to the crisis, both the Company and the EQUANS group have continued taking numerous actions to help mitigate the impact of the pandemic. The Company's and the EQUANS group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

Given the activities of the Company, there has been an impact of the pandemic on the results and position of the Company during the financial year, although at a reduced level when compared with 2020. The Company has been impacted by the third national lockdown that occurred during January 2021, leading to reduced work volumes for the affected contracts. This has been partially offset by those contracts whereby the Company is primarily focused on serving the Government as the end customer, through contracts with schools, hospitals and Government departments, although there has also been some disruption to variable works on these contracts.

The costs of running the business have continued to be at an increased level as a result of COVID-19, albeit at lower levels than experienced during 2020. The Company has had to utilise temporary staff to cover sickness and periods of self-isolation for employees working on contracts operating during the pandemic, as well as incurring additional costs for the purchase of personal protective equipment for example, which have impacted on both the margins achieved on contracts operated by the Company and other administrative expenses including overheads.

The Company and the EQUANS group have no experience of a similar crisis, although the Company has a strong statement of financial position and furthermore is confident it has the financial support of the EQUANS 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.

The Company's primary medium-term strategy remains unchanged, to retain and develop long-term relationships and build upon the existing contract base with a commitment to technical excellence, delivered in-house by dedicated people to exceed customer expectations.

The Directors have considered the effects of the conflict in Ukraine and have not identified any material impact on the Company's business or operations. The Company's business and operations are not directly exposed to activities in either Ukraine or Russia. All turnover arose within the United Kingdom and Ireland.

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 opportunity and risk management framework that applies to all activities of the Company, including:

External risks

The Company continually addresses the impact of the external business environment, updating as appropriate, its strategy and medium-term planning.

Strategic risks

In pursuit of business opportunities, the Company is particularly aware of the potential for importing risk, whether by way of winning contracts, forming joint ventures, or acquiring businesses or investments. Rigorous processes are therefore in place for managing such exposure within a specified opportunity and risk management framework.

Organisation and management risks

The retention and recruitment of staff is a challenge faced by the Company and the sector in which it operates.

The Company is conscious of the reliance placed on IT systems as a platform for efficient delivery of day-to-day operational activities and continues to develop and deliver further improvements.

Delivery and operational risks

In delivering contracts and business improvement initiatives, robust processes are in place for managing the potential risk exposure.

Health, safety and environmental risks

The UK & Ireland Business Unit ("UK BU"), of which the Company is a part, faced a second consecutively difficult year during 2021, with the COVID-19 pandemic presenting a challenging environment for the business. The Directors recognise that much of the year was focused on providing a healthy and safe environment for the Company's workforce both on-site and at home. Whilst the UK BU ensured COVID secure working arrangements, it also continued to maintain the focus on improving the health and safety culture and performance.

Key achievements from 2021 included:
• The development and implementation of a COVID-19 Management System which provided guidance and support for the workforce to ensure COVID secure workplaces;
• The establishment of communications and e-learning to ensure continued focus on 'normal' Responsible Business ("RB") and Safety, Health, Environment and Quality ("SHEQ") risk outside of COVID-19;
• The undertaking of a Health & Safety Climate Survey across the workforce with positive outcomes, which has identified further key areas for improvement that have subsequently been incorporated into the 2022 RB & SHEQ Action Plan;
• The delivery of the 2021 RB and SHEQ Action Plan, which addressed the high risk activities identified;
• The wider communication via environmental, health and safety workshops of UK BU environmental, health and safety processes and forms to ensure greater understanding and implementation in workplaces;
• The issuing of clear SHEQ communications to ensure lessons learnt and best practices are shared across the whole of the UK BU;
• The update of competency of the RB and SHEQ teams in conjunction with the learning and development ("L&D") department;
• The continued focus on health and wellbeing, with mental health awareness training implemented and the establishment of health and wellbeing drop-in sessions during the year with increased frequency as a result of the COVID pandemic; and,
• The continued implementation of online Aspects & Impacts Registers to manage environmental risks with a pilot of climate risk profiling for agreed sites.

All 2021 Health & Safety KPIs were achieved, with a target Lost Time Incident Frequency Rate ("LTIFR") of 3.1 being set for the UK BU. This was achieved during the year with a LTIFR of 2.6 being recorded.

Responsible business

As an industry leader, EQUANS takes all aspects of Responsible Business ("RB") seriously. The business has a unique opportunity to draw on its capabilities in energy, services and regeneration to develop new sustainable services delivering low-carbon, energy-efficient places and spaces, all this with the focus on supporting the UK transition to zero carbon.

EQUANS believes that acting responsibly across the business will help to achieve financial sustainability. Indeed, the performance of the business is measured not just in terms of financial metrics, but also through wider non-financial indicators.

The RB Charter further underlines the Company's commitment to operate to the highest economic, social and environmental standards whilst building public trust. The RB Charter ensures transparency and accountability on critical issues including speed of supplier payments, pension obligations, environmental and social responsibility, living wage and diversity and inclusion.

Together these commitments help the UK BU to enhance the positive impacts, and mitigate the negative impacts, of its activities against the United Nations Sustainable Development Goals (SDGs), which are aimed at helping to tackle the most serious issues facing both people and the planet.

The RB Charter is governed at the very highest level within EQUANS at the Executive and Divisional Boards, with an internal quarterly reporting cycle to report on progress against objectives and targets to measure performance.

All employees at EQUANS are also expected to include a mandatory goal relating to Health & Safety and RB as part of the annual objective setting exercise. This ensures that employees think about how to embed responsible business practices in their roles.

EQUANS releases an annual report on RB performance, which can be downloaded from the website at https://www.equans.co.uk/responsible-business.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators relevant to the Company's performance and prospects are as follows:

Operating profit

The Company's operating profit for the year totals £8,058,000 *(2020: £11,308,000)*, a decrease of £3,250,000 (28.7%) on the previous year.

Net assets

The Company's net assets at the year end stand at £17,890,000 *(2020: £21,266,000)*, a decrease of £3,376,000 (15.9%) on the previous year. This decrease is a result of a dividend payment of £10,000,000 offset by the Company's profit for the financial year.

OTHER KEY PERFORMANCE INDICATORS

The Company also reports the following other key performance indicator relevant to the Company's performance and prospects, however this is managed on a divisional basis across the UK BU and therefore the figures given are in respect of the UK BU as a whole:

Safety

The UK BU's Lost Time Incident Frequency Rate stands at 2.6 (2020: 2.2) lost time injuries per one million hours worked.

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's key stakeholders have been determined to be the Company's parent undertaking and other companies within the EQUANS group, as well as its customers, suppliers and employees.

There have been no material decisions made during the year which would impact on the future performance of the Company. There have not been any significant new contract wins or losses during the year and the long-term PFI contracts operated by the Company continue to perform in-line with expectations.

Employee involvement and engagement

The Company places considerable value on the involvement of its employees and systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, in order that their views may be considered where decision-making may affect their interests. This is achieved through regular meetings between management and elected employee representatives through Employee Forums, Company-wide webcast presentations, specialist employee networks and committees, intranet news articles, emails and letters sent to employees' home addresses. Employee involvement in the Company is encouraged through regular employee surveys and focus groups. Achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a role in improving its performance. The Company also encourages the involvement of employees to optimise a variety of other benefits via the My EQUANS benefits scheme that covers items such as insurances, health and financial wellbeing, flexible holiday, health and medical care and retail vouchers.

The UK BU of EQUANS offers and actively promotes development opportunities at all levels. There are focussed development programmes at both a global and local level and tailored programmes for high potential talent aligned to the organisation's succession planning process. A variety of bespoke programmes are also created to meet specific business needs. In 2021, the EQUANS UK BU invested over £3 million in training and development, and the Learning Experience team facilitated, delivered, and coordinated over 46,000 training days, including 40,000 e-Learning hours.

In order to meet current and future workforce demands, the UK BU has an Early Careers programme to create a sustainable talent pipeline, providing opportunities to young people through Kickstart, apprenticeship and graduate programmes. There are over 560 apprentices across the organisation studying a wide range of qualifications.

The UK BU contributes to EQUANS global skills academies reporting process, which provides an understanding of current skill trends and gaps requiring attention. This enables the Company to establish a clear understanding of the short, medium and long-term focus areas. A revised inclusive talent and performance cycle was launched at the end of 2021 to support and engage managers in effective succession and workforce planning. Pools for business-critical roles are regularly reviewed, developing internal and external development plans to ensure a sustainable pipeline of talent is retained.

Fostering business relationships with suppliers, customers and other stakeholders

The Company's commitments are governed by the Responsible Business Charter. The Charter is in itself underpinned by standards such as the ISO 20400 Sustainable Procurement Standard for responsible procurement and ISO 37001:2016 Standard for anti-corruption management system which guide our engagement with key stakeholders. The Charter also contains performance indicators that hold us accountable for quality of stakeholder engagement such as Net Promoter Score for our customer, employee engagement score and the delivery of stakeholder engagement plans across the organisation.

EQUANS continues to identify innovative solutions and new ways of working that enable us to support our customers in achieving their goals. We partner with large and small organisations through our open innovation programme, working externally with universities, start-ups, government agencies and industrial partners, to expand our capabilities, develop markets and provide leading-edge customer solutions.

EQUANS UK BU continues its focus towards a zero-carbon future, working with suppliers through the Supply Chain Sustainability School, and also engaging suppliers directly. As part of our partnership with Supply Chain Sustainability School, we work with several of the Leadership Teams of the School to guide strategy and support the development of engagement materials for suppliers. EQUANS has an established Supplier Charter to which it requires all suppliers to sign up. The Charter includes principles of the Responsible Business Charter as well as Ethics and Health and Safety commitments expected from both EQUANS and the supplier.

Our own Supplier Charter and supplier collaborative working continue to drive positive change and identify opportunities to embed Zero Carbon Products and Services across our operations.

The Company has signed up to the Buy Social Challenge with Social Enterprise UK to positively impact on society through engaging with innovative suppliers whilst embedding corporate responsibility and diversity across the business and supply chain. In 2021, for example, we held a specific listening session with our social enterprises to identify opportunities for closer working.

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

Our social value ambition is to support the creation of more resilient communities through a just transition, by supporting vulnerable groups through education and into independent living, improving air quality and delivering on our purpose to make zero carbon happen.

Our key goals are:

• Supporting Social Mobility
• Supporting the growth of local skills and employment
• Decarbonisation and improved air quality

Our bespoke social value methodology and framework enables us to track and report on financial and nonfinancial social value. In 2021, EQUANS delivered over £10 million of social and local economic value, through broader social value activities to support our communities, including:

• 59 employees hired from disadvantaged backgrounds
• Over 1,200 training courses provided to our local communities
• £262,000 donated to local community projects
• Over 1,180 weeks of work placements

At EQUANS, we recognise the importance of data validation, review, and auditing, and submitted our data for external validation by the Social Value Portal, to ensure we are accurately claiming the social value we generate as a business.

We define community investment as the total financial value of employee fundraising, employee volunteering hours and management time, gifts and donations, financial investment including spend within the Social Enterprise and Voluntary, Community and Social Enterprise sector, and sponsorship of community events. In 2021, the total community investment for the UK BU exceeded £4.6 million, including match funding for our EQUANS Chosen Charities.

In addition to social value, we have continued our broader focus on responsible business. EQUANS was recently awarded a Platinum EcoVadis rating for the second consecutive year. The award is an independent endorsement putting EQUANS in the top one percent of companies assessed by EcoVadis. It demonstrates our commitment to sustainability management and gives confidence to our current and future partners that EQUANS continues to lead the way and has the expertise and experience to add value to their performance.

We continue with our current Platinum ranking in the Sustainable FM Index recognising our leadership in a wide range of criteria, across environmental, social and governance areas, in assessing the overall sustainability performance of FM service providers.

In 2021, the UK BU continued to work towards our plan to reach net zero. In 2021, we achieved the milestone of over 25% of our fleet being converted to EVs, with a longer-term commitment to deliver zero tailpipe emissions by 2028. In line with our commitment to 'Making Zero Carbon Happen', the UK BU has reduced Scope 1 and 2 corporate carbon intensity by 39% since 2012, and Scope 3 emissions by 21% since 2018. As of 2021, Scope 1 and 2 asset carbon intensity has been reduced by 77% and freshwater abstraction by 61% against a 2012 baseline.

In 2020, due to the pandemic and related restrictions, we saw a significant decrease in emissions from our construction activity, fleet movements, and business travel. As the pandemic related restrictions were lifted and business activities resumed, there was an increase in emissions related to these areas, though an overall decrease in emissions has been maintained in comparison with pre-pandemic conditions.

In addition, in 2020, we saw a decrease in emissions from our energy generation assets due to client demand and maintenance requirements on key assets. As client demand returned and equipment came back online these emissions increased in comparison to 2020 figures.

Apart from our own focus on decarbonisation, we continue to broaden our offer to support our customers both in the private and public sector. Our Homes Zero offer launched in 2020 has been joined in 2021 by our School Zero, NHS Zero and Destination Zero propositions, combining our sustainable energy expertise with our facilities management capabilities to help organisations save energy, increase sustainability, and cut carbon emissions.

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 EQUANS are in line with EQUANS' 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 EQUANS' core values: Innovative, Demanding, Accountable, Client-focused, Goodwill and One Team, which help define the UK BU companies' strategies and targets. Additionally the UK BU has issued a Responsible Business Charter, which aims to ensure that EQUANS 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.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 November 2023. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

On 4 October 2022, Bouygues S.A. bought EQUANS S.A.S. from the ENGIE Group, through the purchase of the entire share capital of EQUANS S.A.S.. During 2021, a directly held subsidiary of ENGIE S.A., EQUANS S.A.S., had been established as the parent of the EQUANS sub-group, a global multi-technical services leader. EQUANS employs 74,000 people in 17 countries, of which 27,000 are located in France, and generates an annual turnover of over €12 billion.

Following the transfer of cash pooling arrangements from the ENGIE Treasury Management to EQUANS S.A.S. on 25 April 2022, as well as the sale of EQUANS S.A.S. to Bouygues S.A., the Company has no ongoing cash funding relationship with ENGIE. EQUANS S.A.S. has the ability to provide continuing support to the Company.

The impact on the Company's funding arrangements, arising from the disposal of EQUANS S.A.S. and its subsidiaries to Bouygues S.A., has been minimal. Existing working capital facilities provided by a £1m negative balance limit with the cash pool, which is currently undrawn, has continued to be made available by EQUANS S.A.S. and which the Directors consider is sufficient even under a plausible downside in results. The Company does not have third party borrowings (external to the EQUANS Group).

EQUANS S.A.S. is not dependent on Bouygues S.A. for its future funding, and it has sufficient equity and liquidity to support the Company.

The Company has received an uncapped letter of support from EQUANS S.A.S.. The Directors have considered the ability of EQUANS S.A.S. to provide financial support to the Company and have satisfied themselves that EQUANS S.A.S. is able to provide support for a period to 30 November 2023.

The budgeted cash flows for the Company, available liquidity through positive cash balances and an undrawn negative balance facility with the cash pool, and the EQUANS S.A.S. letter of support, all allow the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 November 2023 and therefore apply the going concern basis of preparation for the statutory accounts for the year ended 31 December 2021.

This report was approved by the Board on 8 November 2022 and signed on its behalf.

DocuSigned by:
Andrew Pollins
C4DC770EA49D4BA...

A Pollins
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021. The Company changed its name from ENGIE Buildings Limited to EQUANS Buildings Limited on 4 April 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £6,624,000 *(2020: £9,540,000)*.

The Directors have paid a dividend of £10,000,000 for the year ended 31 December 2021 *(2020: £nil)*, amounting to £10,000,000 per share.

DIRECTORS

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

N Lovett (resigned 30 September 2021)
A Pollins
S Hockman (resigned 28 February 2022)
J-P Loiseau (appointed 27 September 2021)
R Longobardi (appointed 27 January 2022, resigned 28 January 2022)
B Lala (appointed 1 March 2022)

FUTURE DEVELOPMENTS

The Directors are confident that the Company will be able to build on its current portfolio of contracts and grow the business with existing clients in the future.

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 statement of financial position, 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 cash at bank, trade and other debtors and amounts owed by group undertakings.

The credit risk associated with cash is limited, as the Company uses financial institutions with a high credit rating for banking requirements. All customers are credit checked prior to any sales and only customers with an appropriate credit rating are offered credit terms. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

The credit risk on remaining amounts owed by group undertakings is not considered to be significant given the strong statement of financial position and liquidity position of EQUANS S.A.S., which manages the cash pooling arrangements for EQUANS S.A.S and its subsidiaries.

Liquidity risk

The Company is exposed to liquidity risk on its financial liabilities, including trade and other creditors, lease liabilities and amounts owed to group undertakings. In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company benefits from access to both short-term liquidity and longer-term financing support from the EQUANS group.

During 2021, the liquidity of the Company was supported by ENGIE Treasury Management ("ETM"), via cash pooling (through Barclays). This cash pooling enables efficient use of available liquidity and under this arrangement, the Company has an agreed overdraft facility "negative balance limit" ("NBL") of £1m to manage its working capital requirements. The centralised cash pooling activities of EQUANS are now managed by EQUANS S.A.S., replacing the activities currently performed by ETM. The previous current account agreements and agreed credit limits, and associated cash or negative balances, for all EQUANS UK entities were transferred from ETM to EQUANS S.A.S. on 25 April 2022. The credit limits provided under the current account agreements have not changed. There are no covenants associated with the provision of negative balances under the current account agreements.

ENGAGEMENT WITH EMPLOYEES

The information in respect of employee involvement and engagement has been disclosed in the strategic report.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

DISABLED EMPLOYEES

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If a member of staff becomes disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force.

The Company meets SECR qualification criteria in the UK. The Company has opted to use the Operational Control boundary definition to define its carbon footprint boundary. The reporting period for compliance is 1 January 2021 to 31 December 2021. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet within the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of the carbon emissions calculation.

The results show that the Company's total energy use and total gross Greenhouse Gas (GHG) emissions were 813,620 kWh and 182 tonnes of CO_2e respectively in the 2021 financial year. The Company has chosen 'Tonnes of CO_2e per Million Turnover (m£)' as an intensity metric as this is deemed to be an appropriate metric for the business. The intensity metric for the financial year 2021 was 1.9 tCO2e/m£ Turnover compared to 1.6 tCO2e/m£ Turnover in 2020. Below is the energy consumption and GHG emissions summary table as well as the table outlining the year on year analysis.

Type of Emissions	Activity	kWh	tCO_2e	% of Total
Direct (Scope 1)	**Natural Gas**	**114,480**	21.0	11.5%
	Company Fleet	**250,649**	62.5	34.3%
	Subtotal	365,129	83.5	45.9%
Indirect (Scope 2)	**Electricity (location based)**	**362,711**	77.0	42.3%
	Subtotal	362,711	77.0	42.3%
Indirect Other (Scope 3)	**Grey Fleet**	**85,780**	21.5	11.8%
	Subtotal	85,780	21.5	11.8%
	Total Energy Use (kWh)			813,620
	Total Gross Emissions (tCO_2e)			182
	Turnover (m£)			98
	Tonnes of Gross CO_2e per m£			1.9

In 2021, EQUANS continued to work towards its plan to reach net zero. In 2021, the UK BU achieved the milestone of over 25% of its fleet being converted to EVs, with a longer-term commitment to deliver zero tailpipe emissions by 2028. In line with our commitments, the UK BU has reduced Scope 1 and 2 corporate carbon intensity by 39% since 2012, and Scope 3 emissions by 21% since 2018. As of 2021, Scope 1 and 2 asset carbon intensity has been reduced by 77% and freshwater abstraction intensity by 61% against a 2012 baseline.

In recognition of our efforts, EQUANS UK BU was awarded a Platinum EcoVadis rating for the second consecutive year. The award is an independent endorsement putting EQUANS in the top one percent of companies assessed by EcoVadis. It demonstrates our commitment to sustainability management and gives confidence to our current and future partners that EQUANS continues to lead the way and has the expertise and experience to add value to its performance. We also continued with our previous Platinum ranking in the Sustainable FM Index, recognising our leadership in a wide range of criteria, across environmental, social and governance areas, in assessing the overall sustainability performance of FM service providers.

Apart from our own focus on decarbonisation, we continued to broaden our offer to support our customers both in the private and public sector. Our Homes Zero offer launched in 2020 has been joined in 2021 by our School Zero, NHS Zero and Destination Zero propositions, combining our sustainable energy expertise with our facilities management capabilities to help organisations save energy, increase sustainability, and cut carbon emissions.

Type of Emissions	Units	2021	2020	YOY % Change
Direct (Scope 1)	**(kwh)**	**365,129**	**281,658**	29.6%
	(tCO_2e)	**83.5**	**62.6**	33.4%
Indirect (Scope 2)	**(kwh)**	**362,711**	**258,189**	40.5%
	(tCO_2e)	**77.0**	**60.2**	27.9%
Indirect Other (Scope 3)	**(kwh)**	**85,780**	**72,346**	18.6%
	(tCO_2e)	**21.5**	**17.0**	26.5%
	Total Energy Use (kWh)	813,620	612,193	32.9%
	Total Gross Emissions (tCO_2e)	182	140	30.0%
	Tonnes of Gross CO_2e per FTE	1.9	1.6	18.8%

In 2020, due to the pandemic and related restrictions, the Company saw a significant decrease in emissions from our construction activity, fleet movements, and business travel. As the pandemic-related restrictions were lifted and business activities resumed, there was an increase in emissions related to these areas, though an overall decrease in emissions has been maintained in comparison with pre-pandemic conditions.

In addition, in 2020 we saw a decrease in emissions from our energy generation assets due to client demand and maintenance requirements on key assets. As client demand returned and equipment came back online these emissions increased in comparison to 2020 figures.

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

The Company changed its name from ENGIE Buildings Limited to EQUANS Buildings Limited on 4 April 2022.

On 4 October 2022, Bouygues S.A. became the Company's ultimate controlling parent following the sale of EQUANS S.A.S. by ENGIE S.A. to Bouygues S.A.

This report was approved by the Board on 8 November 2022 and signed on its behalf.

DocuSigned by:
Andrew Pollins
C4DC770EA49D4BA...

A Pollins
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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 OF EQUANS BUILDINGS LIMITED (FORMERLY ENGIE BUILDINGS LIMITED)

Opinion

We have audited the financial statements of EQUANS Buildings Limited for the year ended 31 December 2021 which comprise the Income statement, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 28, 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 2021 and of its profit 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 November 2023. 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.

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 this gives rise to 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 16, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUANS BUILDINGS LIMITED (FORMERLY ENGIE BUILDINGS LIMITED) (Continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are
    - Companies Act 2006 and FRS101
    - Tax legislation (governed by HM Revenue & Customs) and including furlough legislation
    - Health and Safety legislation

- We understood how EQUANS Buildings Limited is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity-level control environment. We made enquiries of the Company's legal counsel and senior management of known instances of non-compliance or suspected non-compliance with laws and regulations, including any matters raised in whistleblowing. We also considered the oversight procedures of the Company's parent entity at a UK level through the "Executive Board".

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management, including the UK Chief Financial Officer, the UK Deputy Chief Financial Officer, and the UK Group Financial Controller. We obtained details of incidents and allegations of fraud raised internally and investigated by the Company's ethics and compliance team. We planned our audit to identify risks of management override or bias by agreeing on journal entries in the areas involving significant estimation and judgement, recognition of revenue and profits on contracts, to supporting documentation.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board meetings and other committee minutes, including the Risk Management Committee, and incident registers to identify any non-compliance with laws and regulations. Our procedures also involved journal entry testing and data analytics, as set out above. Our testing also included consideration of compliance of employees with policies and codes of conduct at a contract level, for a sample of contracts, based on their size and complexity.

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
11 November 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	**97,945**	*89,008*
Cost of sales		**(62,154)**	*(51,749)*
Gross profit		**35,791**	*37,259*
Administrative expenses		**(27,733)**	*(25,970)*
Other operating income	5	**-**	*19*
Operating profit	6	**8,058**	*11,308*
Interest receivable and similar income	10	**492**	*506*
Interest payable and similar expenses	11	**(341)**	*(15)*
Profit before tax		**8,209**	*11,799*
Tax on profit	12	**(1,585)**	*(2,259)*
Profit for the financial year		**6,624**	*9,540*

There were no recognised gains and losses for 2021 or 2020 other than those included in the income statement.

The notes on pages 24 to 50 form part of these financial statements.

EQUANS BUILDINGS LIMITED (FORMERLY ENGIE BUILDINGS LIMITED)
REGISTERED NUMBER: 03810466

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	**1,000**	*1,000*
Tangible assets	14	**1,862**	*1,718*
		2,862	*2,718*
Current assets			
Stocks	15	**867**	*878*
Debtors: amounts falling due after more than one year	16	**15,000**	*25,175*
Debtors: amounts falling due within one year	16	**87,531**	*63,176*
Cash at bank and in hand		**469**	*799*
		103,867	*90,028*
Creditors: amounts falling due within one year	17	**(81,746)**	*(68,727)*
Net current assets		**22,121**	*21,301*
Total assets less current liabilities		**24,983**	*24,019*
Creditors: amounts falling due after more than one year	18	**(189)**	*(236)*
		24,794	*23,783*
Provisions for liabilities			
Deferred taxation	21	**(2)**	-
Other provisions	22	**(6,902)**	*(2,517)*
Net assets		**17,890**	*21,266*
Capital and reserves			
Called up share capital	23	-	-
Profit and loss account	24	**17,890**	*21,266*
Total equity		**17,890**	*21,266*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 8 November 2022.

DocuSigned by:
Andrew Pollins
C4DC770EA49D4BA...

A Pollins
Director

The notes on pages 24 to 50 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	-	11,726	11,726
Comprehensive income for the year			
Profit for the financial year	-	9,540	9,540
Total comprehensive income for the year	-	9,540	9,540
Total transactions with owners	-	-	-
At 1 January 2021	-	21,266	21,266
Comprehensive income for the year			
Profit for the financial year	-	6,624	6,624
Total comprehensive income for the year	-	6,624	6,624
Dividends paid	-	(10,000)	(10,000)
At 31 December 2021	-	17,890	17,890

The notes on pages 24 to 50 form part of these financial statements.

1. GENERAL INFORMATION

The financial statements of EQUANS Buildings Limited for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 8 November 2022 and the statement of financial position was signed on the Board's behalf by A Pollins.

The Company changed its name from ENGIE Buildings Limited to EQUANS Buildings Limited on 4 April 2022.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is Equans Q10 Office, Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, Tyne and Wear, NE12 8BU.

The results of the Company are included in the consolidated financial statements of ENGIE S.A. for the year ended 31 December 2021, 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 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:

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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- 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. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 November 2023. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

On 4 October 2022, Bouygues S.A. bought EQUANS S.A.S. from the ENGIE Group, through the purchase of the entire share capital of EQUANS S.A.S.. During 2021, a directly held subsidiary of ENGIE S.A., EQUANS S.A.S., had been established as the parent of the EQUANS sub-group, a global multi-technical services leader. EQUANS employs 74,000 people in 17 countries, of which 27,000 are located in France, and generates an annual turnover of over €12 billion.

Following the transfer of cash pooling arrangements from the ENGIE Treasury Management to EQUANS S.A.S. on 25 April 2022, as well as the sale of EQUANS S.A.S. to Bouygues S.A., the Company has no ongoing cash funding relationship with ENGIE. EQUANS S.A.S. has the ability to provide continuing support to the Company.

The impact on the Company's funding arrangements, arising from the disposal of EQUANS S.A.S. and its subsidiaries to Bouygues S.A., has been minimal. Existing working capital facilities provided by a £1m negative balance limit with the cash pool, which is currently undrawn, has continued to be made available by EQUANS S.A.S. and which the Directors consider is sufficient even under a plausible downside in results. The Company does not have third party borrowings (external to the EQUANS Group).

EQUANS S.A.S. is not dependent on Bouygues S.A. for its future funding, and it has sufficient equity and liquidity to support the Company.

The Company has received an uncapped letter of support from EQUANS S.A.S.. The Directors have considered the ability of EQUANS S.A.S. to provide financial support to the Company and have satisfied themselves that EQUANS S.A.S. is able to provide support for a period to 30 November 2023.

The budgeted cash flows for the Company, available liquidity through positive cash balances and an undrawn negative balance facility with the cash pool, and the EQUANS S.A.S. letter of support, all allow the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 November 2023 and therefore apply the going concern basis of preparation for the statutory accounts for the year ended 31 December 2021.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentation currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

For all contracts with customers the Company recognises revenue when performance obligations have been satisfied. For most of the Company's facilities management contracts revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.

IFRS 15 provides a five step-model which the Company has applied to all sales contracts with customers to identify the revenue which can be recognised. The model is applied at contract inception and on the assumption that the contract will operate as defined in the contract and that the contract will not be cancelled, renewed or modified. After contract inception a change in the scope or price (or both) of a contract that is approved by the parties to the contract is a contract modification.

Step 1 - Identify the contract with the customer

First, the Company determines if a contract exists and whether it is in scope of IFRS 15. The arrangement must create enforceable rights and obligations. Typically, this will be a signed contract with the customer. The Company and customer must be committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred should be identifiable, the payment terms for the goods or services to be transferred should be identifiable, the arrangement must have commercial substance and it must be probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This assessment is completed on a case-by-case basis in line with IFRS 15.

Sometimes the Company's contracts are revised for changes to customer requirements. A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and exists when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. A contract modification can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. Judgment is applied in relation to the accounting for contract modifications where the final terms or legal contracts have not been agreed prior to the period end as management needs to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods.

Contract modifications are accounted for as a separate contract if the scope of the contract changes due to the addition of promised goods or services that are distinct and the price of the contract changes by an amount of consideration that reflects the stand-alone selling price of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE (continued)

Step 2 - Identify the performance obligations in the contract

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations and contractual promises to transfer distinct goods or services to a customer. For facilities management contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

a) a good or service (or bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

For core services provided under most facilities management contracts entered into by the Company, management has applied the principles of IFRS 15 and concluded that the promises are not distinct within the context of the contract and as such there is one performance obligation.

Step 3 - Determine the transaction price

The transaction price is defined as the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer.

The Company estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

When determining the transaction price, the Company assumes that the goods or services will be transferred to the customer based on the terms of the existing contract and does not take into consideration the possibility of a contract being cancelled, renewed or modified.

Variable payments include discounts, rebates, refunds, bonuses, performance bonuses or charges for the occurrence (or lack of occurrence) of a future event and are recognised as revenue (adjusted upwards or downwards) only when it is highly probable that a significant reversal in the revenue recognised will not occur when the associated uncertainty is subsequently resolved. The Company considers highly probable to mean being able to evidence with 80-90% certainty.

Step 4 - Allocate the transaction price to the performance obligations in the contract

The Company allocates the total transaction price to each of the identified performance obligations based on their relative stand-alone selling prices. The Company typically applies an observable price or a cost-plus margin approach.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE (continued)

Step 5 - Recognise revenue when the entity satisfies a performance obligation

For each performance obligation, the Company recognises revenue when (or as) the performance obligation is satisfied. For each performance obligation identified, the Company determines at the contract inception whether it satisfies the performance obligation and recognises revenue over time or at a point in time. For core services provided under most facilities management contracts revenue is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Company.

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to reflect an entity's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of an entity's performance obligation). The nature of the good or service that the entity promised to transfer to the customer determines the appropriate method for measuring progress. The Company uses input methods and output methods.

Under the input method the Company recognises revenue based on its efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended or costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation. If the entity's efforts or inputs are expended evenly throughout the performance period, it may be appropriate for the entity to recognise revenue on a straight-line basis.

The Company applies output methods to specific long-term contracts. These include methods such as surveys of performance completed to date, appraisals of results achieved or milestones reached.

However, if the contract is in its early stages and it is not possible to reasonably measure progress, but the Company expects to recover the costs incurred during this phase, revenue is recognised to the extent of the costs incurred until such a time that it can measure the progress made.

If a performance obligation is not satisfied over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be when the Company has the right to payment of the asset, at the point the Company has transferred physical possession of the asset, or the customer has accepted the asset. Management applies judgment to determine when a customer obtains control of a promised asset and the Company has satisfied a performance obligation.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE (continued)

Long-term service contracts

For certain PFI contracts, there are two principal distinct performance obligations:

- The first is related to the management of the assets. The Company is required to provide facilities management services. Revenue is recognised as the performance obligation is satisfied. The transaction price was pre-determined at contract award and is indexed annually.

- The second revenue stream relates to lifecycle maintenance activities. Cash is received from the PFI project entities based on a predetermined billing schedule at contract award (indexed to RPI annually). These cash flows are for the replacement of component parts of the assets over the entire period of the contract. The timing of cash inflows from billings in most cases do not match the costs incurred for lifecycle maintenance. Revenue is recognised by reference to the stage of completion of lifecycle activities based on the proportion of work completed to date compared with estimated total work. The excess cash received in advance of fulfilling the performance obligation is recognised as deferred income and any work done in excess of cash received is recognised as accrued income in the statement of financial position.

Costs to obtain a contract

The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Costs to fulfil a contract

Costs incurred to ensure that a contract is appropriately mobilised and transformed to enable the delivery of full services under the contract target operating model, are contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the balance sheet:

a) the costs relate directly to the contract or to a specific anticipated contract;
b) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
c) the costs are expected to be recovered.

For costs incurred in fulfilling a contract with a customer that are within the scope of another IFRS, the Company accounts for these in accordance with those other IFRSs.

Amortisation and impairment of contract assets

The Company amortises contract assets (costs to obtain a contract and costs to fulfil a contract) on a systematic basis that is consistent with the transfer to the customer of the related goods or services to which the asset relates.

Accrued income and deferred income

At the reporting date the Company recognises accrued income or deferred income when revenue recognised is cumulatively higher or lower than the amounts invoiced to the customer.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. This rate is calculated based on the EQUANS group's incremental borrowing rate adjusted in accordance with IFRS 16, taking into account:

a) the economic environment of the Company, and in particular its credit risk;
b) the currency in which the contract is concluded; and
c) the duration of the contract at inception (or the remaining duration for contracts existing upon the initial application of IFRS 16).

The methodology applied to determine the incremental borrowing rate reflects the profile of the lease payments (duration method).

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'creditors' on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'tangible assets' line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

2. ACCOUNTING POLICIES (CONTINUED)

2.7 INTEREST INCOME

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

2.8 FINANCE COSTS

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

2.9 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 TAXATION

The tax for the year comprises current and deferred 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:
1. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
2. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Assets under construction	-	No depreciation charged

2. ACCOUNTING POLICIES (CONTINUED)

2.12 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Right-of-use assets:	- Over the term of the lease
- land and buildings	
- motor vehicles	
Plant and machinery	- 33%
Computer equipment	- 20%
Assets under construction	- No depreciation charged

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.13 ASSETS UNDER CONSTRUCTION

Assets under construction include those costs incurred on assets which are not yet fully commissioned. Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their useful economic lives.

2.14 IMPAIRMENT OF FIXED ASSETS

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. ACCOUNTING POLICIES (CONTINUED)

2.15 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income statement.

2.16 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.

2.17 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 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.

2.19 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

2. ACCOUNTING POLICIES (CONTINUED)

2.19 FINANCIAL INSTRUMENTS (continued)

maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. 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.

2.20 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.

2.21 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 costs 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:

Revenue recognition

The Company determines if a contract exists and whether it is in scope of IFRS 15. The arrangement must create enforceable rights and obligations. Typically, this will be a signed contract with the customer. The Company and customer must be committed to perform their respective obligations, each party's rights regarding the goods or services to be transferred should be identifiable, the payment terms for the goods or services to be transferred should be identifiable, the arrangement must have commercial substance and it must be probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This assessment is completed on a case-by-case basis in line with IFRS 15.

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations and contractual promises to transfer distinct goods or services to a customer. For facilities management contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

a) a good or service (or bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

For core services provided under most facilities management contracts entered into by the Company, management has applied the principles of IFRS 15 and concluded that the promises are not distinct within the context of the contract and as such there is one performance obligation.

The Company recognises revenue on a contract-by-contract basis based on the satisfaction of performance obligations. Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Provisions and accruals for liabilities

Management estimation is required to determine the appropriate amounts of provisions (including provisions for bad and doubtful debts), customer rebates and accruals for certain administrative expenses. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

4. TURNOVER

All turnover arose within the United Kingdom and Ireland from the Company's principal activity, which is the provision of facilities management.

5. OTHER OPERATING INCOME

	2021 £000	*2020 £000*
Other operating income	-	*19*

The other operating income of £19,000 for the prior year relates to the grant income received by the Company under the Government furlough scheme.

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021 £000	*2020 £000*
Depreciation of tangible assets	186	*183*
Exchange differences	-	*(75)*
Defined contribution pension cost	966	*941*
Provision charge	4,278	*821*

7. AUDITOR'S REMUNERATION

	2021 £000	*2020 £000*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	66	*58*

8. EMPLOYEES

Staff costs were as follows:

	2021 £000	*2020 £000*
Wages and salaries	**14,127**	*12,980*
Social security costs	**1,228**	*1,168*
Cost of defined contribution scheme	**966**	*941*
	16,321	*15,089*

The staff costs comprise those who have a contract of employment with the Company and do not take into account any recharges made to or from other EQUANS group companies in respect of work undertaken by employees for another entity. The net total of staff costs recharged from other EQUANS group companies amounted to £135,000 *(2020: £911,000).*

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

	2021 Number	*2020 Number*
Operations and administration	**710**	*540*

9. DIRECTORS' REMUNERATION

All Directors' remuneration is paid in respect of their services to EQUANS in the UK & Ireland. As EQUANS' activities in the UK are extensive, involving a large number of companies, it is not practicable to make an accurate assessment of the qualifying services provided in respect of each EQUANS company in the UK.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	*2020 £000*
Interest receivable from group undertakings	**492**	*506*

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £000	2020 £000
Interest payable to group undertakings	-	5
Exchange differences	41	5
Unwinding of discount on provisions	295	-
Interest on lease liabilities	5	5
	341	15

12. TAXATION

	2021 £000	2020 £000
CORPORATION TAX		
Current tax on profits for the year	1,538	2,414
Adjustments in respect of previous periods	(141)	(106)
TOTAL CURRENT TAX	1,397	2,308
DEFERRED TAX		
Origination and reversal of timing differences	29	(139)
Changes to tax rates	(7)	(5)
Adjustments in respect of previous periods	166	95
TOTAL DEFERRED TAX	188	(49)
TAX ON PROFIT	1,585	2,259

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX EXPENSE FOR THE YEAR

The tax assessed for the year is higher than *(2020: higher than)* the standard rate of corporation tax in the UK of 19.00% *(2020: 19.00%)*. The differences are explained below:

	2021 £000	*2020 £000*
Profit before tax	**8,209**	*11,799*
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	**1,560**	*2,242*
EFFECTS OF:		
Fixed asset differences	-	*33*
Adjustments to tax charge in respect of prior periods	**25**	*(11)*
Changes to tax rates	-	*(5)*
TOTAL TAX CHARGE FOR THE YEAR	**1,585**	*2,259*

FACTORS THAT MAY AFFECT FUTURE TAX EXPENSES

Legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed a planned reduction of the main rate of UK corporation tax, thereby maintaining the current rate of 19%. The Finance (No.2) Bill 2019-2021 (enacted 10 June 2021) included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is expected to come into effect from 1 April 2023. Deferred taxes on the balance sheet have been measured at the substantively enacted corporation tax rate that will be effective when they are expected to be realised. The latest substantively enacted corporation tax rate maintains the current rate of 19%, and 25% from 1 April 2023, with tax accounting assumptions using those rates.

13. INTANGIBLE ASSETS

	Assets under construction £000
Cost	
At 1 January 2021	**1,000**
At 31 December 2021	**1,000**
Net book value	
At 31 December 2021	**1,000**
At 31 December 2020	*1,000*

14. TANGIBLE ASSETS

	Right-of-use assets - land and buildings £000	Right-of-use assets - motor vehicles £000	Plant and machinery £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 January 2021	98	453	242	23	1,294	2,110
Additions	-	120	-	-	210	330
Disposals	-	(72)	-	-	-	(72)
At 31 December 2021	98	501	242	23	1,504	2,368
Depreciation						
At 1 January 2021	38	147	193	14	-	392
Charge for the year on owned assets	-	-	26	6	-	32
Charge for the year on right-of-use assets	20	134	-	-	-	154
Disposals	-	(72)	-	-	-	(72)
At 31 December 2021	58	209	219	20	-	506
Net book value						
At 31 December 2021	40	292	23	3	1,504	1,862
At 31 December 2020	*60*	*306*	*49*	*9*	*1,294*	*1,718*

15. STOCKS

	2021 £000	*2020 £000*
Raw materials and consumables	**867**	*878*

Replacement costs of stock

The difference between purchase price of stocks and their replacement cost is not material.

16. DEBTORS

	2021 £000	*2020 £000*
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	**15,000**	*25,000*
Prepayments and accrued income	**-**	*175*
	15,000	*25,175*

	2021 £000	*2020 £000*
DUE WITHIN ONE YEAR		
Trade debtors	**29,144**	*19,009*
Amounts owed by group undertakings	**47,901**	*32,301*
Other debtors	**316**	*833*
Prepayments and accrued income	**10,170**	*10,847*
Deferred taxation	**-**	*186*
	87,531	*63,176*

Included in amounts owed by group undertakings is a balance of £47,745,000 *(2020: £32,158,000)* held in a group cash pool arrangement, which is available on demand.

17. CREDITORS: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	3,211	2,282
Amounts owed to group undertakings	1,719	4,441
Group relief payable to group undertakings	5,535	10,413
Other taxation and social security	1,370	1,125
Lease liabilities	143	130
Other creditors	241	379
Accruals and deferred income	69,527	49,957
	81,746	68,727

Amounts owed to group undertakings are unsecured and interest free.

18. CREDITORS: Amounts falling due after more than one year

	2021 £000	2020 £000
Lease liabilities	189	236

19. LEASES

Company as a lessee

The Company has lease contracts for buildings and motor vehicles used in its operations. Leases of buildings generally have lease terms between 3 and 10 years, whilst leases of motor vehicles generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Lease liabilities are due as follows:

	2021 £000	*2020 £000*
Not later than one year	**143**	*130*
Between one year and five years	**189**	*236*
	332	*366*

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £000	*2020 £000*
Interest expense on lease liabilities	**5**	*5*

The cash outflows in respect of lease payments for the year ended 31 December 2021 amounted to £158,000 *(2020: £145,000).*

The information in respect of the right-of-use assets has been included in note 14.

20. FINANCIAL INSTRUMENTS

	2021 £000	*2020 £000*
FINANCIAL ASSETS		
Financial assets measured at amortised cost	**105,437**	*88,618*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(16,377)**	*(25,722)*

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, group relief payable to group undertakings, lease liabilities, other creditors and accruals.

21. DEFERRED TAXATION

	2021	*2020*
	£000	*£000*
At beginning of year	**186**	*137*
Credited to the income statement	**(188)**	*49*
At end of year	**(2)**	*186*

The deferred taxation balance is made up as follows:

	2021	*2020*
	£000	*£000*
Depreciation in advance of capital allowances	**6**	*4*
Short term timing differences	**(8)**	*182*
	(2)	*186*

22. PROVISIONS

	Onerous contract provision £000	Risk reserve provision £000	Defects reserve provision £000	Restructuring provision £000	Total £000
At 1 January 2021	1,636	256	597	28	2,517
Charged to the income statement	-	131	4,147	-	4,278
Unwinding of discount	295	-	-	-	295
Utilised in year	(10)	-	(150)	(28)	(188)
At 31 December 2021	**1,921**	**387**	**4,594**	**-**	**6,902**

Onerous contract provision

The onerous contract provision is based on the extent that the life-cycle funding over the remaining life of the project is considered to be insufficient to cover the costs associated with maintaining the assets at the required condition. The provision of £1,921,000 at 31 December 2021 is expected to be utilised over the life of the contract.

Risk reserve provision

The risk reserve provision is a provision for commercial contract issues identified, including rectification works, legal costs and other liabilities. The provision of £387,000 at 31 December 2021 is expected to be fully utilised in the coming year.

Defects reserve provision

The defects reserve provision is a provision for works to be undertaken on PFI contracts to correct construction related issues post-handover of the asset to operation. The provision of £4,594,000 at 31 December 2021 is expected to be fully utilised in the coming year.

Restructuring provision

The restructuring provision balance comprises restructuring transactions where a constructive obligation exists, but where the costs have not yet been incurred at the year end. This provision has been utilised during the year.

23. CALLED UP SHARE CAPITAL

	2021 £	*2020 £*
Allotted, called up and fully paid		
1 *(2020: 1)* Ordinary share of £1.00	1	*1*

24. RESERVES

Profit and loss account

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

25. DIVIDENDS

	2021	*2020*
	£000	*£000*
Dividends paid of £10m per share *(2020: £nil per share)*	**10,000**	-

26. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £966,000 *(2020: £941,000)*. There were outstanding contributions totalling £38,000 *(2020: £167,000)* payable to the scheme at the year end, which are included within other creditors.

27. POST BALANCE SHEET EVENTS

The Company changed its name from ENGIE Buildings Limited to EQUANS Buildings Limited on 4 April 2022.

On 4 October 2022, Bouygues S.A. became the Company's ultimate controlling parent following the sale of EQUANS S.A.S. by ENGIE S.A. to Bouygues S.A.

28. CONTROLLING PARTY

The immediate parent company of EQUANS Buildings Limited is EQUANS Holding UK Limited (formerly ENGIE Services Holding UK Limited), a company registered in England and Wales. As of 4 October 2022, the Directors regard Bouygues S.A. to be the ultimate parent company and controlling party of EQUANS Buildings Limited. Bouygues S.A. is registered in France.

As at 31 December 2021, the Directors regarded ENGIE S.A. as the ultimate parent company and controlling party of EQUANS Buildings 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 as at 31 December 2021 are prepared is ENGIE S.A..

Copies of the group's consolidated financial statements for the year ended 31 December 2021 may be obtained from ENGIE, 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris La Défense, France.