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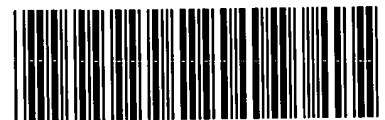
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**ENGIE IMPACT UK LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**ENGIE IMPACT UK LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

P Janson  
M Sieh  
J Summerbell

**REGISTERED NUMBER**

03820315

**REGISTERED OFFICE**

2 Church Street  
Burnham  
Buckinghamshire  
SL1 7HZ

**INDEPENDENT AUDITOR**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle-upon-Tyne  
NE1 4JD

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**ENGIE IMPACT UK LIMITED**

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**CONTENTS**

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	<b>Page</b>
<b>Directors' report</b>	<b>1 - 3</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5 - 7</b>
<b>Income statement</b>	<b>8</b>
<b>Statement of financial position</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 33</b>

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**ENGIE IMPACT UK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors present their report and the financial statements for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of ENGIE Impact UK Limited ("the Company") is the provision of analysis and expertise to help organisations embed sustainability into their operational strategies.

**BUSINESS REVIEW**

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

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

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited.

**DIRECTORS**

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

P Janson (appointed 1 February 2021)  
M Sieh  
J Summerbell  
I Whitfield (resigned 31 January 2021)

**FUTURE DEVELOPMENTS**

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited. The Directors are confident that, through Red Engineering Design Limited, they will be able to build on the Company's current portfolio of contracts and grow the business with both existing and new clients in the future.

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**ENGIE IMPACT UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FINANCIAL INSTRUMENTS**

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

**Credit risk**

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

**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 ENGIE group.

**GOING CONCERN**

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited (company number 05299489) in exchange for consideration of £792,300, settled via an inter-company debtor. The business had continued to trade up to that date.

In these circumstances it is not appropriate to prepare the financial statements on a going concern basis. As the Company continued trading for a period of time and realised its assets in an orderly fashion, the directors have determined that the accounting policies applied to individual items should be consistent with those adopted in the prior year. The directors have considered the Company's current and future prospects and its availability of financing, and the financial statements have been prepared on a basis other than that of the going concern basis. This basis includes, where applicable, writing the Company's assets down to net realisable value. No provision has been made for the future costs of hiving across the business unless such costs were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

**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.

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**ENGIE IMPACT UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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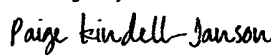
**POST BALANCE SHEET EVENTS**

On 7 February 2022, ownership of ENGIE Impact UK Limited's immediate parent, Power Efficiency Holdings Limited, was transferred to Red Group Holdings Limited (Company number: 10211704) and remains within the ENGIE Group.

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited (company number 05299489) in exchange for consideration of £792,300, settled via an inter-company debtor. The business had continued to trade up to that date.

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

This report was approved by the Board on 23 August 2022 and signed on its behalf.

DocuSigned by:  
  
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**P Janson**  
Director

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**ENGIE IMPACT UK LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE IMPACT UK LIMITED**

### **Opinion**

We have audited the financial statements of Engie Impact UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 21, 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

### **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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE IMPACT UK LIMITED (CONTINUED)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGIE IMPACT UK LIMITED (CONTINUED)**

### **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.

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 International Accounting Standards
  - Tax legislation (governed by HM Revenue & Customs)
  - Health and Safety legislation
- We understood how Engie Impact UK Ltd 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 assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management. 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 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 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.



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
23 August 2022

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**ENGIE IMPACT UK LIMITED**


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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
Turnover	4	1,945	2,104
Cost of sales		(1,043)	(1,085)
<b>Gross profit</b>		<b>902</b>	<b>1,019</b>
Administrative expenses		(1,439)	(1,859)
<b>Operating loss</b>	5	<b>(537)</b>	<b>(840)</b>
Interest receivable and similar income	8	-	1
Interest payable and similar expenses	9	(10)	(11)
<b>Loss before tax</b>		<b>(547)</b>	<b>(850)</b>
Tax credit on loss	10	186	194
<b>Loss for the financial year</b>		<b>(361)</b>	<b>(656)</b>

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

The notes on pages 11 to 33 form part of these financial statements.

**ENGIE IMPACT UK LIMITED**  
**REGISTERED NUMBER: 03820315**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	11	252	318
		<u>252</u>	<u>318</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,183	1,821
Creditors: amounts falling due within one year	13	(771)	(1,014)
<b>Net current assets</b>		<u>412</u>	<u>807</u>
<b>Total assets less current liabilities</b>		<u>664</u>	<u>1,125</u>
Creditors: amounts falling due after more than one year	14	(88)	(188)
		<u>576</u>	<u>937</u>
<b>Net assets</b>		<u><u>576</u></u>	<u><u>937</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Profit and loss account	19	576	937
<b>Total equity</b>		<u><u>576</u></u>	<u><u>937</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 23 August 2022.

DocuSigned by:  
  
 P Janson  
 Director

The notes on pages 11 to 33 form part of these financial statements.

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**ENGIE IMPACT UK LIMITED**


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


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 January 2020</b>	-	1,593	1,593
<b>Comprehensive loss for the year</b>			
Loss for the financial year	-	(656)	(656)
<b>Total comprehensive loss for the year</b>	-	(656)	(656)
<b>At 1 January 2021</b>	-	937	937
<b>Comprehensive loss for the year</b>			
Loss for the financial year	-	(361)	(361)
<b>Total comprehensive loss for the year</b>	-	(361)	(361)
<b>At 31 December 2021</b>	-	576	576

The notes on pages 11 to 33 form part of these financial statements.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

The financial statements of ENGIE Impact UK Limited for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 23 August 2022 and the statement of financial position was signed on the Board's behalf by P Janson.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is 2 Church Street, Burnham, Buckinghamshire, SL1 7HZ.

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

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

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

The following principal accounting policies have been applied:

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS**

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the 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

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited (company number 05299489) in exchange for consideration of £792,300, settled via an inter-company debtor. The business had continued to trade up to that date.

In these circumstances it is not appropriate to prepare the financial statements on a going concern basis. As the Company continued trading for a period of time and realised its assets in an orderly fashion, the directors have determined that the accounting policies applied to individual items should be consistent with those adopted in the prior year. The directors have considered the Company's current and future prospects and its availability of financing, and the financial statements have been prepared on a basis other than that of the going concern basis. This basis includes, where applicable, writing the Company's assets down to net realisable value. No provision has been made for the future costs of hiving across the business unless such costs were committed at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis.

**2.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentation currency is GBP.

**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.



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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 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.

*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 contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 REVENUE (continued)**

- 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 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.

*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 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 depict 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

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 REVENUE (continued)**

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.

**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.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 ENGIE 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.

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

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 LEASES (continued)**

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).
- 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 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, 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 2.12.

Variable rents that do not depend on an index or rate are not included in the measurement 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.

**2.7 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 FINANCE COSTS**

Finance costs are charged to profit or loss 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 TAXATION**

The tax for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the .

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:

- 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
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 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.

Amortisation is provided on the following bases:

Computer software	-	20 %
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**2.11 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.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 profit or loss 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	- at appropriate rates varying from 20% to 50%
Fixtures and fittings	- 25%
Office equipment	- 25%

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 profit or loss.

**2.13 DEBTORS**

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

**2.14 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.

**2.15 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.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.16 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 profit or loss 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.

**2.17 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.

**Financial assets**

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

**Debt instruments at amortised cost**

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

**Impairment of financial assets**

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



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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.17 FINANCIAL INSTRUMENTS (continued)**

**Financial liabilities**

**At amortised cost**

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

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates.

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

**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, contractual promises to transfer distinct goods or services to a customer. For 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 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.

**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 reasonable factors.

**4. TURNOVER**

All turnover arose within the United Kingdom from the Company's principal activity, which is the provision of analysis and expertise to help organisations embed sustainability into their operational strategies.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**5. OPERATING LOSS**

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible assets	<b>119</b>	<b>154</b>
Amortisation of intangible assets	-	8
Exchange differences	1	5
Provision credit	-	(19)
	<u><b>-</b></u>	<u><b>-</b></u>

**6. AUDITOR'S REMUNERATION**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<b>19</b>	<b>24</b>
	<u><b>19</b></u>	<u><b>24</b></u>

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. EMPLOYEES**

On 1 July 2021, a TUPE transfer took place so that staff from EQUANS Services Limited were transferred to ENGIE Impact UK Limited.

Staff costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>827</b>	-
Social security costs	<b>89</b>	-
Cost of defined contribution scheme	<b>58</b>	-
	<b>974</b>	-

All Directors' remuneration is paid by fellow group undertakings in respect of their services to group companies. The Directors' services to the Company do not occupy a significant amount of time and consequently no allocation can be made to the Company for qualifying services for the year (2020: £nil).

The average monthly number of employees for the period from the transfer of staff until the year ended 31 December 2021 was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Operations	<b>33</b>	-
Administration	<b>5</b>	-
	<b>38</b>	-

There were no employees with a contract of employment with the Company in the prior year.

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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group undertakings	-	1
	<u>-</u>	<u>1</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Loans from group undertakings	-	1
Interest on lease liabilities	10	7
Other interest payable	-	3
	<u>10</u>	<u>11</u>

**10. TAXATION**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	(120)	-
Adjustments in respect of previous periods	(16)	(47)
<b>Total current tax</b>	<u>(136)</u>	<u>(47)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	22	(134)
Changes to tax rates	(81)	(12)
Adjustments in respect of previous periods	9	(1)
<b>Total deferred tax</b>	<u>(50)</u>	<u>(147)</u>
<b>Tax credit on loss for the year</b>	<u>(186)</u>	<u>(194)</u>

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE 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% (2020: 19%). The differences are explained below:

	<b>2021 £000</b>	<b>2020 £000</b>
Loss before tax	<b>(547)</b>	<b>(850)</b>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>(104)</b>	<b>(162)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	27
Fixed asset differences	1	1
Adjustments to tax charge in respect of prior periods	<b>(6)</b>	<b>(48)</b>
Changes to tax rates	<b>(77)</b>	<b>(12)</b>
<b>Total tax credit for the year</b>	<b>(186)</b>	<b>(194)</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

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 Act 2022 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 corporation tax rate that will be effective when they are expected to be realised.

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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**11. TANGIBLE ASSETS**

	<b>Right-of-use assets- land and buildings £000</b>	<b>Right-of-use assets - motor vehicles £000</b>	<b>Plant and machinery £000</b>	<b>Fixtures and fittings £000</b>	<b>Office equipment £000</b>
<b>COST</b>					
At 1 January 2021	273	11	37	215	72
Additions	-	-	-	-	5
Transfers between classes	-	-	-	12	46
At 31 December 2021	<u>273</u>	<u>11</u>	<u>37</u>	<u>227</u>	<u>123</u>
<b>DEPRECIATION</b>					
At 1 January 2021	39	7	37	152	65
Charge for the year on owned assets	-	-	-	23	14
Charge for the year on right- of-use assets	78	4	-	-	-
At 31 December 2021	<u>117</u>	<u>11</u>	<u>37</u>	<u>175</u>	<u>79</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	<u>156</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>44</u>
At 31 December 2020	<u>234</u>	<u>4</u>	<u>-</u>	<u>63</u>	<u>7</u>

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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**11. TANGIBLE ASSETS (CONTINUED)**

	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>COST</b>		
At 1 January 2021	10	618
Additions	48	53
Transfers between classes	(58)	-
	<hr/>	<hr/>
At 31 December 2021	-	671
	<hr/>	<hr/>
<b>DEPRECIATION</b>		
At 1 January 2021	-	300
Charge for the year on owned assets	-	37
Charge for the year on right-of-use assets	-	82
	<hr/>	<hr/>
At 31 December 2021	-	419
	<hr/>	<hr/>
<b>NET BOOK VALUE</b>		
	<hr/>	<hr/>
At 31 December 2021	-	252
	<hr/>	<hr/>
At 31 December 2020	10	318
	<hr/>	<hr/>



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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**12. DEBTORS**

	2021 £000	2020 £000
Trade debtors	251	215
Amounts owed by group undertakings	197	877
Group relief receivable from group undertakings	46	-
Other debtors	-	19
Prepayments and accrued income	322	409
Tax recoverable	50	34
Deferred taxation	317	267
	<u>1,183</u>	<u>1,821</u>

Included in amounts owed by group undertakings is a balance of £14,000 (2020: £747,000) held in a group cash pool arrangement, which is available on demand.

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

	2021 £000	2020 £000
Trade creditors	24	64
Amounts owed to group undertakings	85	195
Group relief payable to group undertakings	142	74
Other taxation and social security	67	190
Lease liabilities	85	95
Other creditors	25	57
Accruals and deferred income	343	339
	<u>771</u>	<u>1,014</u>

Amounts owed to group undertakings are unsecured and interest free.

**14. CREDITORS: Amounts falling due after more than one year**

	2021 £000	2020 £000
Lease liabilities	<u>88</u>	<u>188</u>

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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**15. LEASES****Company as a lessee**

The Company has lease contracts for buildings used in its operations. Leases of buildings generally have lease terms between 3 and 10 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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	85	95
Between one year and five years	88	188
	<u>173</u>	<u>283</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest expense on lease liabilities	<u>10</u>	<u>7</u>

The cash outflows in respect of lease payments for the year ended 31 December 2021 amounted to £105,000 (2020: £110,000).

The information in respect of the right-of-use assets has been included in note 11.

**16. FINANCIAL INSTRUMENTS**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>868</u>	<u>1,453</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,099)</u>	<u>(669)</u>

Financial assets measured at amortised cost comprise 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.

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**ENGIE IMPACT UK LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**17. DEFERRED TAXATION**

	2021 £000	2020 £000
At beginning of year	267	103
Credited to the income statement	50	164
<b>At end of year</b>	<b>317</b>	<b>267</b>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Depreciation in advance of capital allowance	118	103
Tax losses carried forward	195	158
Short-term timing difference	4	6
	<b>317</b>	<b>267</b>

**18. CALLED UP SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
100 (2020: 100) Ordinary shares of £1.00 each	100	100

**19. RESERVES****Profit and loss account**

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

**20. POST BALANCE SHEET EVENTS**

On 7 February 2022, ownership of ENGIE Impact UK Limited and its immediate parent undertaking, Power Efficiency Holdings Limited, was transferred to Red Group Holdings Limited (Company number: 10211704) and remains within the ENGIE Group.

On 1 June 2022, the Company hived its business, trade and assets to Red Engineering Design Limited (company number 05299489) in exchange for consideration of £792,300, settled via an inter-company debtor. The business had continued to trade up to that date.

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**ENGIE IMPACT UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**21. CONTROLLING PARTY**

The immediate parent company of ENGIE Impact UK Limited is Power Efficiency Holdings Limited, a company registered in England and Wales. The Directors regard ENGIE S.A. as the ultimate parent company and controlling party of ENGIE Impact UK Limited. ENGIE S.A. is registered in France.

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

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