

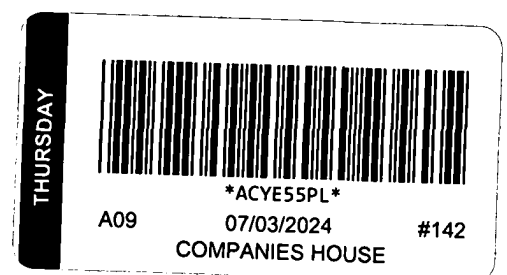
Registered number: 04075893

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**COVION LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



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**COVION LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	D Ruck E Peeke
<b>COMPANY SECRETARY</b>	P Moens
<b>REGISTERED NUMBER</b>	04075893
<b>REGISTERED OFFICE</b>	Equans Q10 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8BU
<b>INDEPENDENT AUDITOR</b>	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

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**COVION LIMITED**

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**COVION LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report and the audited financial statements for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

The principal activity of Covion Limited ("the Company") comprises integrated facilities management services, which incorporates hard and soft services, working primarily with commercial enterprises.

**DIRECTORS**

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

S Hockman (resigned 24 January 2022)

B Lala (resigned 30 April 2023)

D Ruck (appointed 1 March 2022)

E Peeke (appointed 1 May 2023)

**FUTURE DEVELOPMENTS**

The Directors expect that new facilities management service delivery contracts will be delivered via one of the main Equans UK entities going forward. As such the Company is not expected to expand significantly during the course of the next 12 months, with the exception of revenue increases resulting from additional work performed for existing customers. Given the existing contract profiles, this is considered to be a sustainable business model base for the foreseeable future. However, the Directors will review the future operating activities of the Company further during the course of the next 12 months.

**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, interest rate 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 and cash equivalents, trade debtors and amounts owed by group undertakings. The credit risk associated with cash is limited, given the Company's cash balances relate to amounts held in the Equans group cash pool arrangement with Equans S.A.S., which has a strong statement of financial position and liquidity position. All customers are credit checked prior to any sales and only customers with an appropriate credit rating are offered credit terms. The credit risk on amounts owed by group undertakings is not considered to be significant, given that all companies within the Equans group also have access to the cash pooling arrangements with Equans S.A.S. and therefore the benefit of access to both short-term liquidity and longer-term financing support from the Equans group.

**Liquidity risk**

The Company is exposed to liquidity risk on its financial liabilities, including trade creditors 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.

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**COVION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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During 2022, the centralised cash pooling activities of the Equans group were transferred to Equans S.A.S., replacing the activities previously performed by ENGIE Treasury Management ("ETM"). 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 previous current account agreements and agreed credit limits, as well as 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.

The Company does not have any external non-trade debt financing. Although the UK business has been offered or could obtain several financial support arrangements from the banking industry, these have been deemed unnecessary.

**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 31 March 2025. 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 from ENGIE, through the purchase of the entire share capital of EQUANS S.A.S.

Following the transfer of cash pooling arrangements from 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 acquisition of Equans S.A.S. and its subsidiaries by Bouygues, has been minimal. Existing working capital facilities provided by a £1m negative balance limit with the cash pool and which is currently undrawn, have 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 for its future funding and it has sufficient equity and liquidity to support the Company.

The budgeted cash flows for the Company and available liquidity through the cash pool allow the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 31 March 2025 and therefore apply the going concern basis of preparation for the statutory accounts for the year ended 31 December 2022.

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**COVION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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 5 March 2024 and signed on its behalf.

DocuSigned by:  
  
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**E Peeke**  
Director

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**COVION LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 COVION LIMITED**

### **Opinion**

We have audited the financial statements of Covion Limited (the 'company') for the year ended 31 December 2022 which comprise Income Statement, Statement of Financial Position, the 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 2022 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 31 March 2025.

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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COVION 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
- 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.

### ***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 COVION LIMITED

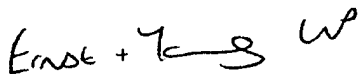
Our approach was as follows:

- 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)
  - Health and Safety legislation
- We understood how the Company 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 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 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 noncompliance 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.



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
5 March 2024

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**COVION LIMITED**


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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	<b>Note</b>	<b>2022 £000</b>	<b>2021 £000</b>
Turnover	4	8,488	7,892
Cost of sales		(7,346)	(6,984)
<b>Gross profit</b>		<b>1,142</b>	<b>908</b>
Administrative expenses		(502)	(311)
Other operating income	5	-	20
<b>Operating profit</b>	6	<b>640</b>	<b>617</b>
Interest receivable and similar income	9	29	-
<b>Profit before tax</b>		<b>669</b>	<b>617</b>
Tax on profit	10	(129)	(110)
<b>Profit for the financial year</b>		<b>540</b>	<b>507</b>

There are no items of other comprehensive income for 2022 or 2021 other than the profit for the year included in the income statement and therefore no statement of comprehensive income has been presented.

The notes on pages 11 to 28 form part of these financial statements.

**COVION LIMITED**  
**REGISTERED NUMBER: 04075893**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	11	-	-
		-	-
<b>Current assets</b>			
Stocks	12	483	551
Debtors: amounts falling due within one year	13	8,759	10,843
Cash at bank and in hand	14	2,158	-
		11,400	11,394
Creditors: amounts falling due within one year	15	(1,653)	(2,187)
<b>Net current assets</b>		9,747	9,207
<b>Total assets less current liabilities</b>		9,747	9,207
<b>Net assets</b>		9,747	9,207
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Share premium account	19	599	599
Other reserves	19	10	10
Profit and loss account	19	9,137	8,597
<b>Total equity</b>		9,747	9,207

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 5 March 2024.

DocuSigned by:

*Edward Peeke*

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**E Peeke**  
 Director

The notes on pages 11 to 28 form part of these financial statements.

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**COVION LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2021</b>	<b>1</b>	<b>599</b>	<b>10</b>	<b>8,090</b>	<b>8,700</b>
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	507	507
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>507</b>	<b>507</b>
<b>At 1 January 2022</b>	<b>1</b>	<b>599</b>	<b>10</b>	<b>8,597</b>	<b>9,207</b>
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	540	540
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540</b>	<b>540</b>
<b>At 31 December 2022</b>	<b>1</b>	<b>599</b>	<b>10</b>	<b>9,137</b>	<b>9,747</b>

The notes on pages 11 to 28 form part of these financial statements.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

The financial statements of Covion Limited for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 05 March 2024 and the statement of financial position was signed on the Board's behalf by E Peeke.

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 and net assets of the Company, which are not eliminated on consolidation, have been included in the consolidated financial statements of Bouygues S.A. prepared since 4 October 2022 and as at 31 December 2022 (and the consolidated financial statements of ENGIE S.A. prepared between 1 January 2022 and 3 October 2022).

The consolidated financial statements of Bouygues S.A. are available from Bouygues, 32 Avenue Hoche, 75008, Paris, 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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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 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;
- 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

This information is included in the consolidated financial statements of Bouygues S.A. as at 31 December 2022 and these financial statements may be obtained from Bouygues, 32 Avenue Hoche, 75008, Paris, France.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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 31 March 2025. 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 from ENGIE, through the purchase of the entire share capital of EQUANS S.A.S.

Following the transfer of cash pooling arrangements from 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 acquisition of Equans S.A.S. and its subsidiaries by Bouygues, has been minimal. Existing working capital facilities provided by a £1m negative balance limit with the cash pool and which is currently undrawn, have 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 for its future funding and it has sufficient equity and liquidity to support the Company.

The budgeted cash flows for the Company and available liquidity through the cash pool allow the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 31 March 2025 and therefore apply the going concern basis of preparation for the statutory accounts for the year ended 31 December 2022.



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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 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.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 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.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 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.

**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.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 REVENUE (continued)**

**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 statement of financial position:

- 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.

**2.5 INTEREST INCOME**

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

**2.6 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 profit or loss 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.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 TAXATION**

The tax for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.8 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:

Plant and machinery	- at appropriate rates varying from 20% to 50%
Office equipment	- 20%

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.

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 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 weighted average 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 profit or loss.

**2.10 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.

**2.11 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits 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. Cash and cash equivalents are placed with either financial institutions or Equans S.A.S. as the centralising entity for the Equans group cash pool.

**2.12 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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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 FINANCIAL INSTRUMENTS**

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

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

**Financial assets**

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

**Debt instruments at amortised cost**

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

**Impairment of financial assets**

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

**Financial liabilities**

**At amortised cost**

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

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 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.

**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 from the Company's principal activity, which is the provision of integrated facilities management services, which incorporates hard and soft services, working primarily with commercial enterprises.



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**COVION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**5. OTHER OPERATING INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Other operating income	-	20
	<u>-</u>	<u>20</u>

The other operating income of £nil (2021: £20,000) relates to the grant income received by the Company under the Government furlough scheme.

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible assets	-	1
Defined contribution pension cost	35	32
	<u>35</u>	<u>32</u>

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 (2021: £nil).

**7. AUDITOR'S REMUNERATION**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	22	19
	<u>22</u>	<u>19</u>

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**8. EMPLOYEES**

Staff costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>986</b>	<b>1,031</b>
Social security costs	<b>88</b>	<b>85</b>
Cost of defined contribution scheme	<b>35</b>	<b>32</b>
	<b>1,109</b>	<b>1,148</b>

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 £93,000 (2021: £58,000).

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Management, administration and operations	<b>44</b>	<b>46</b>

**9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group undertakings	<b>29</b>	<b>-</b>

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**COVION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**10. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profit for the year	<b>122</b>	109
Adjustments in respect of previous periods	-	(1)
<b>Total current tax</b>	<b>122</b>	<b>108</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	7	12
Changes to tax rates	-	(10)
<b>Total deferred tax</b>	<b>7</b>	<b>2</b>
<b>Tax on profit</b>	<b>129</b>	<b>110</b>

**FACTORS AFFECTING TAX EXPENSE FOR THE YEAR**

The tax assessed for the year is higher than (2021: *lower than*) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Profit before tax	<b>669</b>	617
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	<b>127</b>	117
<b>Effects of:</b>		
Adjustments in respect of previous periods	-	(1)
Changes to tax rates	2	(6)
<b>Total tax expense for the year</b>	<b>129</b>	<b>110</b>

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**COVION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**10. TAXATION (CONTINUED)****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 came into effect on 1 April 2023. Deferred taxes on the statement of financial position have been measured at the substantively enacted corporation tax rate that will be effective when they are expected to be realised.

**11. TANGIBLE ASSETS**

	<b>Plant and machinery £000</b>	<b>Office equipment £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2022	<b>36</b>	<b>69</b>	<b>105</b>
At 31 December 2022	<b>36</b>	<b>69</b>	<b>105</b>
<b>Depreciation</b>			
At 1 January 2022	<b>36</b>	<b>69</b>	<b>105</b>
At 31 December 2022	<b>36</b>	<b>69</b>	<b>105</b>
<b>Net book value</b>			
At 31 December 2022	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2021	<b>-</b>	<b>-</b>	<b>-</b>

**12. STOCKS**

	<b>2022 £000</b>	<b>2021 £000</b>
Raw materials and consumables	<b>483</b>	<b>551</b>

**Replacement costs of stock**

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

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**COVION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**13. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>1,424</b>	<b>1,252</b>
Amounts owed by group undertakings	<b>7,033</b>	<b>9,137</b>
Other debtors	<b>3</b>	<b>22</b>
Prepayments and accrued income	<b>276</b>	<b>402</b>
Deferred taxation	<b>23</b>	<b>30</b>
	<b>8,759</b>	<b>10,843</b>

**14. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Cash held in the group cash pool	<b>2,158</b>	<b>-</b>

The Company is a participant in the Equans group cash pool arrangements in which Equans S.A.S., a parent of the Company, acts as the centralising entity. Cash of the Company, as well as other subsidiaries of Equans Holding UK Limited in the UK, is pooled daily. Negative bank balances are also extinguished. This is achieved through a zero balance end of day automated cash pooling process operated by Barclays Bank plc and centralised at the Equans S.A.S. header account level.

The cash pool arrangements between Equans S.A.S. as the centralising entity and each member as a participating company are set out in a legally binding Current Account Agreement. Any cash required by a participating company can be withdrawn without notice and without penalty, subject to intra-day and negative balance limits.

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>341</b>	<b>136</b>
Amounts owed to group undertakings	<b>22</b>	<b>379</b>
Group relief payable to group undertakings	<b>230</b>	<b>744</b>
Other taxation and social security	<b>239</b>	<b>181</b>
Other creditors	<b>30</b>	<b>39</b>
Accruals and deferred income	<b>791</b>	<b>708</b>
	<b>1,653</b>	<b>2,187</b>

Amounts owed to group undertakings are unsecured and interest free.

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**COVION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**16. FINANCIAL INSTRUMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>10,894</b>	<b>10,782</b>
	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(1,342)</b>	<b>(1,926)</b>
	<u>          </u>	<u>          </u>

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, other creditors and accruals.

**17. DEFERRED TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	<b>30</b>	<b>32</b>
Charged to the income statement	<b>(7)</b>	<b>(2)</b>
	<u>          </u>	<u>          </u>
<b>At end of year</b>	<b>23</b>	<b>30</b>
	<u>          </u>	<u>          </u>

The deferred tax asset is made up as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Depreciation in advance of capital allowances	<b>19</b>	<b>23</b>
Short term timing differences	<b>4</b>	<b>7</b>
	<u>          </u>	<u>          </u>
	<b>23</b>	<b>30</b>
	<u>          </u>	<u>          </u>

**18. CALLED UP SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
97,500 (2021: 97,500) Ordinary shares of £0.01 each	<b>1</b>	<b>1</b>
	<u>          </u>	<u>          </u>

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**COVION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19. RESERVES**

**Share premium account**

The share premium account relates to the amount above nominal value received for shares issued.

**Other reserves**

Other reserves relate to the issue of share-based payments to employees in prior years.

**Profit and loss account**

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

**20. PENSION COMMITMENTS**

The Company operates a defined contribution pension scheme. The assets of 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 £35,000 (2021: £32,000). There were outstanding contributions totalling £4,000 (2021: £15,000) payable to the scheme at the year end, which are included within other creditors.

**21. CONTROLLING PARTY**

The immediate parent company of Covion Limited is Equans Holding UK Limited, a company registered in England and Wales. The Directors regard Bouygues S.A. as the ultimate parent company and controlling party of Covion Limited. Bouygues 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 Bouygues S.A.

Copies of the group's consolidated financial statements may be obtained from Bouygues, 32 Avenue Hoche, 75008, Paris, France.