Registered number: 06182287

EQUANS PROPERTY SERVICES LIMITED (FORMERLY ENGIE PROPERTY SERVICES LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

DIRECTORS	M Smithurst C Macpherson M Gallacher
COMPANY SECRETARY	P Moens
REGISTERED NUMBER	06182287
REGISTERED OFFICE	Q3 Office Quorum Business Park Benton Lane Newcastle-upon-Tyne Tyne and Wear NE12 8EX
INDEPENDENT AUDITOR	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The Directors present their Strategic Report for the year ended 31 December 2021. On 4 April 2022 the Company changed its name from ENGIE Property Services Limited to EQUANS Property Services Limited.

PRINCIPAL ACTIVITIES

The principal activity of EQUANS Property Services Limited ("the Company") is the provision of community regeneration and planned and responsive maintenance, as well as new build developments within the housing and education sectors.

The key regeneration business is mainly in the public sector. Services include the refurbishment of social housing such as planned maintenance and capital works, new build social housing for rent, new build elderly accommodation and new build public buildings, refurbishment and extension of educational facilities.

REVIEW OF BUSINESS

EQUANS Regeneration Limited (which together with its subsidiaries forms "the Regeneration Group") is a national market leader in sustainable community regeneration and planned and responsive repairs to the UK housing stock. It has a strong and extensive track record in social housing solutions and the financial strength and capability to deliver on a national scale.

The Regeneration Group specialises in creating great places to live, work and play. It aims to create communities, not just buildings, and its work has already touched the lives of millions of people across the UK. The specific areas of expertise include new build homes, community regeneration, planned maintenance, retirement solutions, education and sustainability. The Regeneration Group is a key partner in supporting local authorities and housing associations in transitioning to a zero-carbon future, launching ENGIE Zero in 2020, an innovative whole-house, one-stop solution to decentralise, digitalise and decarbonise homes in a radical bid to support the UK's reduction in greenhouse gas emissions by 2050.

Following the announcement in July 2020 of a new strategic orientation to simplify the ENGIE group and accelerate growth in renewables and infrastructure assets, ENGIE delivered progress at pace, despite the challenging backdrop. A strategic review of part of the Client Solutions business was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, the employee representatives' consultation, related to the proposed organisation design for the new entity, was launched.

From 1 July 2021, all of ENGIE's activity in the UK and Ireland covering technical services and facilities management, energy efficiency and regeneration now form part of the newly launched EQUANS brand. On 5 November 2021, ENGIE entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS. The transaction is pending regulatory approval and is expected to complete in the second half of 2022.

Under new management, with a transformed organisational structure, there is revised focus on operational excellence where the priorities lie within creating value for customers, safety, ethics, and maintaining our reputation for quality service. There is a drive to apply profit and net margin as the measure of success, and to become a strong cash generating business supported through clear, achievable plans for long-term business growth by focusing on developing existing and new market offers.

Turnover increased by 3.8% to £10.9m for the year ended 31 December 2021 *(2020: £10.5m)*. The increase in revenue compared to the prior year reflects the volume increases as the Company recovered after the COVID-19 pandemic. Similarly, the operating loss decreased from £1.1m in 2020 to £0.1m in 2021.

The health, safety and wellbeing of employees and suppliers is of the utmost importance and there has been a clear directive to keep the workforce safe as the priority.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Government funding risk

Material elements of the Company's revenue are secured directly or indirectly from various central and local Government funding strategies. Significant policy changes could impact on the sustainability of elements of revenue as sources of funding to support specific project types change. As a result, the Company's sales pipeline is susceptible to changes in Government policy. Government policy is routinely monitored and communicated to management. The Company actively participates in industry consultation processes. Strong end-client relationships result in a partnership approach to determining future volumes of work providing high levels of forward visibility of future revenue. Management regularly assess future funding risk through analysis of the pipeline of future work, and flex the scale of infrastructure accordingly. The scale and diversification of the business removes dependency on any single funding source.

Health and safety risk

The safety and well-being of sub-contractors and members of the public is of critical importance to the Company. Inadequate health and safety procedures could lead to injury or death, operational failure and possible significant compensation payments and fines. The Company has implemented a comprehensive safety strategy, which includes bringing safety to the forefront of our culture, measuring safety performance, strong risk management procedures and audits of compliance with these procedures.

The ability to provide adequate security to customers

The Company relies on surety companies to provide performance bonds on certain contracts. If the Company were unable to provide appropriate levels of performance bond coverage, it may be unable to compete effectively for new work. The Company has established strong relationships with providers of surety products and has established suitable bonding facilities in order to support the Company's requirements for the foreseeable future.

Financial irregularity risk and liquidity risk

The cash flow requirements of the Company's contracts can be very different and availability of short-term liquidity is critical to the Company's ability to grow and deliver successful projects on behalf of clients. A lack of short-term liquidity could impact upon the ability to pay sub-contractor and material suppliers resulting in a failure to deliver projects to an acceptable standard. The Company maintains strong financial discipline. Cash generation and facility headroom is monitored by robust budgeting, forecasting and cash management disciplines.

Sustainability

The purpose of the group is to improve lives through better living and working environments. The group recognises that a successful organisation is one that not only benefits itself but one that can demonstrate how it also benefits society and the environment.

The challenge is not something the group can achieve alone and only with the support of suppliers, communities and wider stakeholders will the company be able to succeed. The group's vision is to lead the way in innovative services and sustainable energy solutions for its chosen markets. EQUANS is committed to the responsible growth of its businesses in response to the central challenges of the energy transition, combating climate change and making responsible use of natural resources.

Within 'Our Future Plan' the group has challenging targets to help it continually improve its social and environmental performance. The Company is aligned with the International Sustainable Development Goals (SDGs) in helping to tackle the most serious issues facing both people and the planet whilst shaping its long-term strategy.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company has participated in a review of key performance indicators relevant to the Company's performance and prospects. These are as follows:

Turnover

The Company's turnover for the year ended 31 December 2021 totals £10.9m *(2020: £10.5m)*, an increase of £0.4m (3.8%) on the previous year.

Operating profit

The Company's operating loss for the year ended 31 December 2021 totals £0.1m *(2020: operating loss £1.1m)*, a decrease of £1.0m on the previous year.

Net assets

The Company's net assets at the year end stand at £1.6m *(2020: £1.6m)*, consistent with the previous year.

GOING CONCERN

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

As mentioned in the Company's 2020 strategic report, during 2020 the ENGIE Group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

During 2021, a directly held subsidiary of ENGIE S.A., EQUANS S.A.S., was established as the parent of this global multi-technical services leader. The EQUANS sub-group employs 74,000 people in 17 countries, of which 27,000 are located in France, and generates an annual turnover of over €12 billion. On 5 November 2021, ENGIE entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS. On 12 May 2022, ENGIE and Bouygues signed the EQUANS Share Purchase Agreement, following the conclusion of employee consultation. The completion of the acquisition of EQUANS remains subject to the finalisation of the constitution of EQUANS' perimeter by ENGIE and to obtaining clearances from all relevant foreign investment control and antitrust authorities. The completion of the deal is expected in the second half of 2022, as per the initial schedule.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors have considered the intended disposal of EQUANS S.A.S. by ENGIE S.A., which was confirmed on 5 November 2021. The decision to sell the EQUANS business does not adversely impact the Company's day-to-day operations. Following the transfer of cash pooling arrangements from the ENGIE Treasury Management to EQUANS S.A.S. on 25 April 2022, the Company has no ongoing cash funding relationship external to the ENGIE Group beyond EQUANS. EQUANS S.A.S. has the ability to provide continuing support to the Company, irrespective of whether EQUANS remains part of the ENGIE Group, or if it is sold, as planned, to Bouygues.

The impact on the Company's funding arrangements, arising from the disposal of EQUANS S.A.S. and its subsidiaries to Bouygues, would be minimal. Existing debts and short-term working capital facilities provided the cash pool would continue to be made available by EQUANS S.A.S. and which the Directors consider is sufficient even under a plausible downside in results. No debt or short-term borrowings under the existing cash pooling arrangements would be repayable.

The Company does not have third party borrowings (external to the ENGIE Group). EQUANS S.A.S. is not dependent on Bouygues, nor ENGIE S.A., for its future funding, and it has sufficient equity and liquidity to support the Company.

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

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

This report was approved by the Board on 29 September 2022 and signed on its behalf.

DocuSigned by:
Mark Gallacher
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M Gallacher
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to £67,000 *(2020: loss £901,000).*

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 *(2020: £nil).*

DIRECTORS

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

N Lovett (resigned 30 June 2021)
M Smithurst
A Pollins (resigned 30 June 2021)
C Macpherson (appointed 1 July 2021)
M Gallacher (appointed 1 July 2021)

FUTURE DEVELOPMENTS

A review of the results, performance and future developments for the Company is presented in the Strategic Report.

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 cash at bank, trade debtors and amounts owed by group undertakings. The credit risk associated with cash is limited, as the Company uses financial institutions with a high credit rating for banking requirements. All customers are credit checked prior to any sales and only customers with an appropriate credit rating are offered credit terms. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on remaining amounts owed by group undertakings is not considered to be significant, given the strong balance sheet and liquidity position of EQUANS S.A.S..

Liquidity risk

The Company is exposed to liquidity risk on its financial liabilities, including trade creditors and amounts owed to group undertakings. The cash flow requirements of the Company's contracts can be very different and availability of short-term liquidity is critical to the Company's ability to grow and deliver successful projects on behalf of clients. A lack of short-term liquidity could impact upon the Company's ability to pay subcontractor and material suppliers resulting in a failure to deliver projects. The Company maintains strong financial discipline. Further, 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 EQUANS Group.

During 2021, the liquidity of the Company was supported by ENGIE Treasury Management ("ETM"), via cash pooling (through Barclays). This cash pooling enables efficient use of available liquidity and under this arrangement, the Company has an agreed overdraft facility "negative balance limit" ("NBL") to manage its working capital requirements. The centralised cash pooling activities of EQUANS are now managed by EQUANS S.A.S., replacing the activities previously performed by ETM.

The previous current account agreements and agreed credit limits, and associated cash or negative balances, for all EQUANS UK entities were transferred from ETM to EQUANS S.A.S. on 25 April 2022. The credit limits provided under the current account agreements have not changed. There are no covenants associated with the provision of negative balances under the current account agreements.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

POST BALANCE SHEET EVENTS

On 4 April 2022 the Company changed its name from ENGIE Property Services Limited to EQUANS Property Services Limited.

This report was approved by the Board on 29 September 2022 and signed on its behalf.

DocuSigned by:

Mark Gallacher

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M Gallacher
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUANS PROPERTY SERVICES LIMITED

Opinion

We have audited the financial statements of EQUANS Property Services Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, 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.

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 until at least 30 September 2023.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

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 EQUANS Property Services Limited is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity level control environment. We made enquiries of the Company's legal counsel and senior management of known instances of non-compliance or suspected non-compliance with laws and regulations, including any matters raised in whistleblowing.
- We 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.

Ernst + Young LLP

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	*2020 £000*
Turnover	4	**10,916**	*10,452*
Cost of sales		**(10,215)**	*(10,664)*
Gross profit/(loss)		**701**	*(212)*
Administrative expenses		**(781)**	*(907)*
Operating loss	5	**(80)**	*(1,119)*
Other finance costs		**(3)**	*(3)*
Loss before tax		**(83)**	*(1,122)*
Tax credit on loss	7	**16**	*221*
Loss for the financial year		**(67)**	*(901)*

The notes on pages 16 to 39 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Loss for the financial year		**(67)**	*(901)*
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit schemes	16	**46**	*(24)*
Total comprehensive loss for the year		**(21)**	*(925)*

The notes on pages 16 to 39 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	*2020 £000*
Current assets			
Debtors	8	**14,768**	*12,097*
Cash at bank and in hand		**1**	*1*
		14,769	*12,098*
Creditors: amounts falling due within one year	9	**(13,032)**	*(10,304)*
Net current assets		**1,737**	*1,794*
Total assets less current liabilities		**1,737**	*1,794*
Creditors: amounts falling due after more than one year	10	**(1)**	*(2)*
Net assets excluding pension liability		**1,736**	*1,792*
Pension liability		**(140)**	*(175)*
Net assets		**1,596**	*1,617*
Capital and reserves			
Called up share capital	13	**3,000**	*3,000*
Share premium account	14	**125**	*125*
Profit and loss account	14	**(1,529)**	*(1,508)*
Total equity		**1,596**	*1,617*

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 29 September 2022.

DocuSigned by:
Mark Gallacher
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M Gallacher
Director

The notes on pages 16 to 39 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	**3,000**	**125**	**(583)**	**2,542**
Comprehensive loss for the year				
Loss for the financial year	**-**	**-**	**(901)**	**(901)**
Actuarial losses on pension scheme	**-**	**-**	**(24)**	**(24)**
Total comprehensive loss for the year	**-**	**-**	**(925)**	**(925)**
At 1 January 2021	**3,000**	**125**	**(1,508)**	**1,617**
Comprehensive loss for the financial year				
Loss for the financial year	**-**	**-**	**(67)**	**(67)**
Actuarial gains on pension scheme	**-**	**-**	**46**	**46**
Total comprehensive loss for the year	**-**	**-**	**(21)**	**(21)**
At 31 December 2021	**3,000**	**125**	**(1,529)**	**1,596**

The notes on pages 16 to 39 form part of these financial statements.

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

1. GENERAL INFORMATION

The financial statements of EQUANS Property Services Limited (formerly ENGIE Property Services Limited) for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 29 September 2022 and the statement of financial position was signed on the Board's behalf by M Gallacher.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is Q3 Office, Quorum Business Park, Benton Lane, Newcastle-upon-Tyne, Tyne and Wear, NE12 8EX.

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The functional and presentational 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:

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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Going concern

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

As mentioned in the Company's 2020 strategic report, during 2020 the ENGIE Group announced its Strategic Review of part of its Client Solutions business line, a project launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects.

During 2021, a directly held subsidiary of ENGIE S.A., EQUANS S.A.S., was established as the parent of this global multi-technical services leader. The EQUANS sub-group employs 74,000 people in 17 countries, of which 27,000 are located in France, and generates an annual turnover of over €12 billion. On 5 November 2021, ENGIE entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS. On 12 May 2022, ENGIE and Bouygues signed the EQUANS Share Purchase Agreement, following the conclusion of employee consultation. The completion of the acquisition of EQUANS remains subject to the finalisation of the constitution of EQUANS' perimeter by ENGIE and to obtaining clearances from all relevant foreign investment control and antitrust authorities. The completion of the deal is expected in the second half of 2022, as per the initial schedule.

The Directors have considered the intended disposal of EQUANS S.A.S. by ENGIE S.A., which was confirmed on 5 November 2021. The decision to sell the EQUANS business does not adversely impact the Company's day-to-day operations. Following the transfer of cash pooling arrangements from the ENGIE Treasury Management to EQUANS S.A.S. on 25 April 2022, the Company has no ongoing cash funding relationship external to the ENGIE Group beyond EQUANS. EQUANS S.A.S. has the ability to provide continuing support to the Company, irrespective of whether EQUANS remains part of the ENGIE Group, or if it is sold, as planned, to Bouygues.

The impact on the Company's funding arrangements, arising from the disposal of EQUANS S.A.S. and its subsidiaries to Bouygues, would be minimal. Existing debts and short-term working capital facilities provided by the cash pool would continue to be made available by EQUANS S.A.S. and which the Directors consider is sufficient even under a plausible downside in results. No debt or short-term borrowings under the existing cash pooling arrangements would be repayable.

The Company does not have third party borrowings (external to the ENGIE Group). EQUANS S.A.S. is not dependent on Bouygues, nor ENGIE S.A., for its future funding, and it has sufficient equity and liquidity to support the Company.

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

The budgeted cash flows for the Company (which show sufficient headroom even after considering a reasonably plausible downside), positive post year-end results, available liquidity through use of the negative balance facility with the cash pool, and the EQUANS S.A.S. letter of support, all allow the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 September 2023 and therefore apply the going concern basis of preparation for the statutory accounts for the year ended 31 December 2021.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

For all contracts with customers the Company recognises revenue when performance obligations have been satisfied. For most of the Company's design and build construction 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. Judgement is applied in relation to the accounting for contract modifications where the final terms or legal contracts have not been agreed prior to the period end as management needs to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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 certain contracts with several components, judgement 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.

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 most design and build construction 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue (continued)

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 judgement 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

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

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

Amortisation and impairment of contract assets

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

Accrued income and deferred income

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Long-term contracts

Long-term contract balances are included in the statement of financial position at the value of revenue less the value of progress payments certified and receivable. The value of progress payments not yet certified is treated as receivable in respect of work completed, or measurable parts thereof, and is stated after making allowance for irrecoverable amounts. Where revenue exceeds progress payments the net balance is included in debtors as amounts recoverable on contracts and where progress payments exceed revenue the net balance is included in current liabilities as payments on account.

2.6 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.

2.7 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.

2.8 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

Impairment of financial assets

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

Financial liabilities

At amortised cost

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

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Pensions

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 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.

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

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

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

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

Revenue recognition

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

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations, contractual promises to transfer distinct goods or services to a customer. For contracts with several components, judgement 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 services provided under most design and build construction 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.

Estimation of costs to complete and contract provisions

In order to determine the profit and loss that the Company is able to recognise on its developments and construction contracts in a specific period, the Company has to allocate total costs to the developments and construction contracts between the proportion completing in the period and proportion to complete in a future period. The assessment of total costs to be incurred requires a degree of estimation. However, management has established internal controls to review and ensure the appropriateness of estimates made on an individual contract basis.

Recovery of trade debtors and amounts recoverable on contracts

The Company makes an estimate of the recoverable value of trade and other debtors and amounts recoverable on contracts. When assessing impairment of trade and other debtors and amounts recoverable on contracts, management considers factors including credit rating of the customer, the ageing profile of the receivable and historical experience.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Provisions and accruals for liabilities

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

Pension and other post-employment benefits

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables and future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 16.

4. TURNOVER

All turnover arose within the United Kingdom from the Company's principal activity, which is from community regeneration, planned and responsive maintenance and new build developments within the housing and education sectors.

5. OPERATING LOSS

The operating loss is stated after charging:

	2021	*2020*
	£000	*£000*
Defined benefit pension cost	**10**	*14*

The Company has no employees other than directors *(2020: none)*.

Following the acquisition of the Company by EQUANS Holding UK Limited (formerly ENGIE Services Holding UK Limited), the emoluments of the Directors were paid by other group companies, where they were employed, in respect of their services to group companies. The Directors' services to this Company do not occupy a significant amount of time and consequently the Directors do not feel that they have received any remuneration for their incidental services to this Company for the year.

The fees payable to the Company's auditor for the audit of the annual financial statements of the Company, amounting to £18,000 *(2020: £22,000)*, have been borne by a fellow group undertaking, EQUANS Regeneration Limited (formerly ENGIE Regeneration Limited) and are recharged to the company as part of a wider annual management charge.

6. OTHER FINANCE COSTS

	2021 **£000**	*2020* *£000*
Net interest on net defined benefit liability	**(3)**	*(3)*

7. TAXATION

	2021 **£000**	*2020* *£000*
CORPORATION TAX		
Current tax on loss for the year	**(13)**	-
Adjustments in respect of previous periods	**(181)**	-
TOTAL CURRENT TAX	**(194)**	-
DEFERRED TAX		
Origination and reversal of timing differences	**20**	*(217)*
Changes to tax rates	**(23)**	*(4)*
Adjustments in respect of previous periods	**181**	-
TOTAL DEFERRED TAX	**178**	*(221)*
TAX CREDIT ON LOSS	**(16)**	*(221)*

7. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

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

	2021 **£000**	*2020* *£000*
Loss before tax	**(83)**	*(1,122)*
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	**(16)**	*(213)*
EFFECTS OF:		
Expenses not deductible for tax purposes	**9**	*(5)*
Changes in tax rates	**(11)**	*(4)*
Transfer pricing adjustments	**2**	*1*
TOTAL TAX CREDIT FOR THE YEAR	**(16)**	*(221)*

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 and an increase to the UK's main corporation tax rate to 25%, which would come into effect from 1 April 2023. Deferred taxes on the statement of financial position have been measured at the corporation tax rate that will be effective when they are expected to be realised. The latest substantively enacted corporation tax rate maintains the current rate of 19%, and 25% from 1 April 2023, and tax accounting assumptions reflect those rates, although there is an expectation that the increase to 25% may not occur.

8. DEBTORS

	2021 £000	*2020 £000*
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset	**75**	*254*
DUE WITHIN ONE YEAR		
Trade debtors	**243**	*541*
Amounts owed by group undertakings	**14,187**	*10,897*
Amounts recoverable on long term contracts	**263**	*405*
	14,768	*12,097*

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	*2020 £000*
Payments received on account	**875**	*187*
Trade creditors	**276**	*319*
Amounts owed to group undertakings	**10,451**	*9,177*
Group relief payable to group undertakings	**181**	*376*
Other taxation and social security	**1,039**	*30*
Accruals	**210**	*215*
	13,032	*10,304*

Amounts owed to group undertakings are unsecured and interest free.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	*2020*
	£000	*£000*
Trade creditors	**1**	*2*

11. FINANCIAL INSTRUMENTS

	2021	*2020*
	£000	*£000*
FINANCIAL ASSETS		
Financial assets measured at amortised cost	**14,432**	*11,438*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(11,121)**	*(10,118)*

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

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

12. DEFERRED TAXATION

	2021 £000	*2020* *£000*
At beginning of year	254	*33*
(Charged)/credited to the income statement	(179)	*221*
AT END OF YEAR	**75**	*254*

The deferred tax asset is made up as follows:

	2021 £000	*2020* *£000*
Depreciation in advance of capital allowances	10	*9*
Losses and other deductions	30	*212*
Other timing differences	35	*33*
	75	*254*

13. CALLED UP SHARE CAPITAL

	2021 £000	*2020* *£000*
Allotted, called up and fully paid		
3,000,101 *(2020: 3,000,101)* Ordinary shares of £1.00 each	3,000	*3,000*

14. RESERVES

Share premium account

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

Profit and loss account

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

15. CONTINGENT LIABILITIES

The Company enters into performance guarantees in the normal course of business. At 31 December 2021 amounts outstanding under these guarantees amounted to £nil *(2020: £3,800).*

In the normal course of its business, the Company is involved in a number of disputes with customers and suppliers. Such disputes can concern alleged breach of contract. To the extent that the Directors believe that it is probable that both an obligation exists and an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation, a provision is made. Where insufficient evidence is provided in support of an alleged breach of contract no provision is made. However, the possible litigation and/or resolution of the disputes could have a material impact on the results and net assets of the business. It is not possible for the Directors to provide an indication of the likely timing or amount of any cash outflow associated with these disputes for which there is no provision, because of the complexity of the disputes and external factors that exist.

The Company has provided certain banking cross guarantees to fellow group companies.

16. PENSION COMMITMENTS

The Company operates a defined benefit pension scheme.

The Company is a member of a multi-employer scheme namely the West Yorkshire Local Government Pension Scheme ("West Yorkshire LGPS"). The assets of the scheme are held in independently administered funds and have been accounted for as defined benefit obligations. The Company is responsible for funding the pension benefits for its employees only. The estimated weighted average duration of the defined benefit obligation of the Scheme is 28.9 years.

Responsibility for governance of the scheme, including investment decisions and contribution schedules, lies with the responsible parties. The Board of Trustees must be composed of representatives of the Company and member-nominated trustees, as required under legislation and in accordance with the scheme's regulations.

The most recent full actuarial valuation of the multi-employer scheme was at 31 March 2019 and this has been updated to 31 December 2021 by qualified independent actuaries.

Reconciliation of present value of plan liabilities:

	2021	*2020*
	£000	*£000*
RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES		
At the beginning of the year	**175**	*136*
Current service cost	**10**	*8*
Interest income	**(4)**	*(6)*
Interest cost	**7**	*9*
Actuarial (gains)/losses	**(46)**	*24*
Employer contributions	**(2)**	*(2)*
Past service cost	**-**	*6*
AT THE END OF THE YEAR	**140**	*175*

Composition of plan liabilities:

	2021	*2020*
	£000	*£000*
Fair value of plan assets	**347**	*302*
Present value of plan liabilities	**(487)**	*(477)*
TOTAL PLAN LIABILITIES	**(140)**	*(175)*

16. PENSION COMMITMENTS (CONTINUED)

Composition of plan assets:

	2021 %	*2020 %*
Equities	**80**	*79*
Property	**4**	*4*
Government bonds	**8**	*9*
Corporate bonds	**4**	*5*
Cash	**2**	*1*
Other	**2**	*2*
TOTAL PLAN ASSETS	**100**	*100*

The amounts recognised in the income statement were as follows:

	2021 £000	*2020 £000*
Current service cost	**10**	*8*
Past service cost	**-**	*6*
Net interest cost on net pension liability	**3**	*3*
Total	**13**	*17*

Reconciliation of the present value of plan liabilities were as follows:

	2021 £000	*2020 £000*
Opening defined benefit obligation	**(477)**	*(428)*
Actuarial gains and (losses)	**8**	*(25)*
Interest costs	**(7)**	*(9)*
Past service costs	**-**	*(6)*
Member contributions	**(1)**	*(1)*
Current service costs	**(10)**	*(8)*
Closing defined benefit obligation	**(487)**	*(477)*

16. PENSION COMMITMENTS (CONTINUED)

Reconciliation of fair value of plan assets were as follows:

	2021 **£000**	*2020* *£000*
Opening fair value of scheme assets	**302**	*292*
Interest income on plan assets	**4**	*6*
Contributions by employer	**2**	*2*
Member contributions	**1**	*1*
Actuarial gains	**38**	*1*
	347	*302*

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income was £76,000 *(2020: £122,000).*

The Company expects to contribute £3,000 to its defined benefit pension scheme in 2022.

The pension scheme has not invested in any of the EQUANS group's own financial instruments nor in the properties or other assets used by the EQUANS group.

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2021 **%**	*2020* *%*
Discount rate	**1.9**	*1.4*
Future salary increases	**3.75**	*3.3*
Future pension increases	**2.5**	*2.0*
Mortality rates		
- for a male aged 65 now	**21.9**	*21.8*
- at 65 for a male aged 45 now	**22.6**	*22.5*
- for a female aged 65 now	**24.7**	*24.6*
- at 65 for a female member aged 45 now	**25.8**	*25.7*

16. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

In agreeing the assumptions used in the calculation of the present value of the pension scheme liabilities under IAS 19, the Directors acknowledge the high degree of judgment involved and the sensitivity of the calculations to a change in assumptions.

It is estimated that an increase in the discount rate of 0.1% would decrease scheme liabilities by £14,000 and a decrease in the discount rate of 0.1% would increase scheme liabilities by £14,000.

It is estimated that an increase in the inflation rate of 0.1% would increase scheme liabilities by £12,000 and a decrease in the inflation rate of 0.1% would decrease scheme liabilities by £12,000.

It is estimated that a 1 year increase in the member life expectancy would increase scheme liabilities by £18,000 and a decrease in the member life expectancy of 1 year would decrease scheme liabilities by £18,000.

It is estimated that an increase in the salary increase rate of 0.1% would increase scheme liabilities by £2,000 and a decrease in the salary increase rate of 0.1% would decrease scheme liabilities by £2,000.

Breakdown of members

	2021 Number of members	*2020 Number of members*	*2021 Liability split*	*2020 Liability split*
Active members	**2**	*2*	*63*	*63*
Deferred members	**3**	*3*	*37*	*37*
	5	*5*	*100*	*100*

16. PENSION COMMITMENTS (CONTINUED)

Risks to which the pension scheme exposes the Company

Through its defined benefit pension scheme the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The scheme liabilities are calculated using a discount rate set with reference to corporate bond yields. If scheme assets underperform this yield, this will create a deficit. The scheme holds a small proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in corporate bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the scheme's holdings.

Inflation risk

Some of the scheme's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the scheme against extreme inflation).

Life expectancy

The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the scheme's liabilities. This is particularly significant in the UK, where inflationary increases result in higher sensitivity to changes in life expectancy.

Risk management

The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

17. POST BALANCE SHEET EVENTS

On 4 April 2022 the Company changed its name from ENGIE Property Services Limited to EQUANS Property Services Limited.

18. CONTROLLING PARTY

The immediate parent company of EQUANS Property Services Limited is EQUANS Regeneration Limited, a company registered in England and Wales. The Directors regard ENGIE S.A. as the ultimate parent company and controlling party of EQUANS Property Services 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.