REGISTERED NUMBER: 6248053

VINCI ENVIRONMENT UK LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2019

Company Information

DIRECTORS	G Godard J Gatward H G Seutin F Sistac LValaize F De Gassart
REGISTERED OFFICE	Astral House Imperial Way Watford Hertfordshire England WD24 4WW
REGISTERED NUMBER	6248053
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
BANKER	National Westminster Bank Plc P O Box 2DG 208 Piccadilly London W1A 2DG

Principal activity and business review
The Company's principal activity is the Engineering, Procurement and Construction (EPC) of waste treatment plants. The Company draws on the experience and resources of VINCI Environnement in France and VINCI Construction UK Limited to offer turnkey solutions including process mechanical and electrical works together with all building and civil engineering works. The Company is also in the Energy from Waste (EfW) and Biomass market.

The Company will continue to look for appropriate opportunities in the markets in which it operates.

Principal Risks and Uncertainties
The continued success of the Company depends upon the Management's ability to identify and manage risks which are inherent in the type of activity we are engaged in. These risks fall into specific areas, all of which have the potential to impact on the success of the Company.

- Covid-19 Impact and Risk

Since 31st December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In the UK, as in many other countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. The effect on the business has been assessed as follows:

- Government actions

Key to the business is ensuring that it operates in accordance with current government regulations and guidance (such as social distancing, working from home, closure of sites). In general, the Company is working satisfactorily under the COVID-19 restrictions with many staff usually working in the corporate office able to continue operating effectively from home. As there is little current activity on site anyway the impact on the business has been minimal.

- Monitoring by Management

The duration and impact of the COVID-19 pandemic remains uncertain at this time. The Board and management continue to monitor the developments and hold regular briefings to assess business continuity and the challenges being faced.

Urgent updates are sent out to the whole business as and when needed and there is a weekly communication of other updates.

- Response

We are adopting Government guidelines and advice and changing our business operations to suit these. Short term forecasts are produced and reviewed by the Management Board each week to monitor cash flow in the business.

To protect cashflow we are taking 'advantage' of the government schemes available to us to reduce cash outflows e.g. furloughing staff. We are also offering initiatives to our staff to aid them with their finances in these challenging times.

- Brexit risk

Although we have experienced no significant impact of Brexit to date we closely monitor its progress. We have two particular areas of concern. Currently our main Brexit issue is the cost, availability and timely delivery of materials for our projects which are sourced from outside of the UK. It is anticipated that there may be delays to the flow of goods across borders as well as the potential for costs to escalate through trade tariffs, the implementation of additional regulations and a fall in Sterling. Communication with the supply chain is paramount to understanding and mitigating these potential areas of risk. We are also focussed on the availability of labour resources. This is not necessarily a Brexit related issue, as for some years, we have been aware of a downward trend in the availability of skilled labour. We try to control this risk by, for example, close planning of our various contracts, working with our supply chain to transfer labour as effectively as possible between our projects.

- Financial Risk

The principal financial risks that we face are associated with our ability to properly estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling those costs, the ability to recover costs under the payment terms of all contracts and the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us.

The Company controls these risks in a number of ways. The Company is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration. These criteria are examined for each business unit and are specific to them to ensure that their capabilities are used to best effect. The Company specialises in certain types of building, civil engineering and facilities management projects in line with the areas where we have proven expertise. Tenders are controlled in accordance with a tender control policy and are authorised by directors according to their value and type. Over a certain level of value, tenders are approved by the Chief Operating Officer and the Chief Executive. In accordance with VINCI SA procedures, tenders over set amounts are submitted to the VINCI Risk Committee in Paris for approval.

- Health and Safety

The Company recognises the importance of the health and safety of all those employed in its offices and sites and operates policies to ensure that the risks associated with accidents and health are properly managed and controlled.

In response to the Covid-19 pandemic the business has developed a Covid19-Secure Plan. The Plan includes risk assessments, addresses government guidelines and details the business approach to ensuring Covid19-secure workplaces.

- The Environment

The Company recognises the importance of minimising the impact on the environment and is pro-actively managing this. New procedures were adopted in 2007 to measure and manage outputs and to set targets for reduction.

- Human Resources

The Company's employees are its most important resource. It is essential to the future success of the business that a skilled and motivated workforce is retained.

On behalf of the Board

J. P. Gtd.

J Gatward
Director
10th February 2021

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2019.

Directors
The current Directors of the Company and the Directors who held office in the financial year are detailed below.

J-P Bonnet	resigned 07/01/2019
F De Gassart	
B Dupety	resigned 02/08/2019
G Godard	appointed 24/08/2020
J Gatward	
G W Mayo	resigned 24/01/2019
F Y M Peigne	resigned 26/08/2019
H G Seutin	
F Sistac	appointed 26/08/2019
J M Stubler	appointed 20/08/2019; resigned 24/08/2020
LValaize	

Results and dividends
The loss for the financial year amounted to £393,000 (2018: £265,000 loss for the financial year). The Strategic Report provides details of the Company's performance in the year as well as its financial risk management. No dividends were paid during the year (2018: £nil). The Directors do not propose the payment of a final dividend.

Post Balance Sheet Events

Subsequent to the year-end the company, together with its subcontractors, reached settlement agreement in respect of completed projects. As a result of these settlement agreements the company recognised amounts due from group undertakings of £21.8m and contract liabilities of £21.7m, both of which have been settled subsequent to the year-end.

The Directors have assessed the impact of COVID-19 and responses taken since the pandemic began which are referred to in the Strategic Report and have determined that there is no material impact on the results of the operations and the financial position of the company. The Directors concluded that the impact of COVID-19 is a non-adjusting subsequent event.

Indemnity provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern
The entities' joint venture parent companies, VINCI Construction UK Limited (VCUK) and VINCI Environnement S.A.S. (VE) have agreed to provide financial resources for 12 months from the date of signing the financial statements to allow the entity to meet any obligations, as the entity sits in a net liability position at the balance sheet date.

The Directors reviewed the budget and the forecasts of VCUK and VE for the period of at least 12 months and confirm that VCUK and VE have sufficient liquid resources to provide continuous financial support to the company to enable it to meet its debts as they fall due. As a result these financial statements have been prepared on a going concern basis.

Information on the outbreak of the coronavirus COVID-19 is disclosed in the strategic report under 'business risks'. As part of assessing the ability to continue as a going concern the Company also considered the impact of COVID-19 and a related potential global economic downturn on its business. This included a review of recent productivity on existing sites. the short-term order book and current bid activity. It considered the working capital implications of reduced activity and the mitigating actions available to management.

As a result, and even though globally everyone is confronted with a high level of uncertainty. the Directors concluded that VCUK, VE and the company have sufficient financial resources and do not expect COVID-19 to have a material impact on the ability of the company to continue as a going concern.

Employees

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Group which are within their capabilities. It is the Company's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

Communication and involvement

The Directors recognise the importance of good communications with the Company's employees and informing and consulting with them on a regular basis of the performance and objectives of the Company. This is mainly through regular meetings, personal appraisals and e-mail communications.

When practical, employees have the opportunity to participate in VINCI share savings schemes.

Health and safety

Health and safety issues figure prominently at Board level to ensure, as far as possible, the prevention of health risks or accidents to employees, contractors, sub-contractors, members of the public or any other persons who may come into contact with the Company's activities. Health and safety consultative committees operate at all levels and an annual report is produced highlighting trends and statistics in this vital area. The Company is proud of, but not complacent about, its safety record.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors on 2nd December 2019.
Following the completion of the 2019 year-end audit PricewaterhouseCoopers LLP will resign as statutory auditor of the company.
A resolution concerning the appointment of Mazars LLP will be proposed at the Annual General Meeting.

Approval

The Report of the Directors was approved by the Board on 10th February 2021 and signed on its behalf by:

J. P. Gatward

J Gatward
Director
Company Registered Number 6248053

Registered Address
Astral House
Imperial Way, Watford
WD24 4WW

Statement of Directors' Responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

J. P. Gat

J Gatward
Director
10th February 2021

Independent auditors' report to the members of Vinci Environment UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vinci Environment UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2019; the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Andrew Johns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 February 2021

Income Statement
For the year ended 31st December 2019

	Note	2019 £000	Restated 2018 £000
Revenue	1	(2,845)	689
Cost of sales		2,438	(961)
Gross loss		(407)	(272)
Administrative expenses		(2)	(11)
Loss from operating activities	2	(409)	(283)
Net financial income	4	16	18
Loss before tax		(393)	(265)
Taxation charge	5	-	-
Loss for the financial year	9	(393)	(265)

The 2018 revenue and cost of sales have been restated to correct a misclassification posting of £110,000.

There has been no other comprehensive income in the current or preceding financial year other than as stated above and consequently no separate statement of comprehensive income has been presented.

The accompanying notes form part of the financial statements.

VINCI ENVIRONMENT UK LIMITED

Statement of changes in Equity
For the year ended 31st December 2019

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2018	100	(54)	46
Total comprehensive expense for the financial year			
Loss for the year	-	(265)	(265)
Total comprehensive expense for the financial year	-	(265)	(265)
Balance at 31st December 2018	100	(319)	(219)

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2019	100	(319)	(219)
Total comprehensive expense for the financial year			
Loss for the year	-	(393)	(393)
Total comprehensive expense for the financial year	-	(393)	(393)
Balance at 31st December 2019	100	(712)	(612)

Statement of Financial Position
As at 31st December 2019

	Note	2019 £000	Restated 2018 £000
Current assets			
Trade and other receivables	6	29,747	2,916
Cash and cash equivalents		510	2,890
Total assets		30,257	5,806
Current liabilities			
Trade and other payables	7	(30,869)	(6,025)
Net liabilities		(612)	(219)
Equity attributable to parent			
Called up share capital	8	100	100
Accumulated losses		(712)	(319)
Total Shareholders' deficit	9	(612)	(219)

The 2018 trade and other receivables and payables' figures have been restated to correct a £110,000 misclassification.

The accompanying notes form part of the financial statements.

The financial statements on pages 10 to 21 were approved by the Board on 10th February 2021 and signed on its behalf by:

J Gatward
Director
Company registered number: 6248053

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared under the historical cost convention and on a going concern basis in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company is a joint venture between VINCI Construction UK Ltd (VCUK) and VINCI Environnement S.A.S. (VE). VCUK is incorporated in the United Kingdom and VE is incorporated in France. Both VCUK and VE are subsidiaries of VINCI. The Company has taken advantage of the exemption contained in FRS101 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of VINCI, within which this Company is included, can be obtained from the Company Secretary, VINCI, 1 cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France.

Notwithstanding net current liabilities of £612,000 as at 31st December 2019 (2018: £(219,000), a loss for the year then ended of £393,000 (2018: loss of £265,000) and net cash outflows for the year of £2,380,000 (2018: net cash inflows of £2,077,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its cash holdings, funding from its joint venture parent companies, VINCI Construction UK Limited (VCUK) and VINCI Environnement S.A.S. (VE), to meet its liabilities as they fall due for that period.

Those forecasts are dependent on VCUK and VE providing additional financial support during that period. VCUK and VE have indicated their intention to continue to make available such funds as are needed by the company for the period of at least 12 months from the date of approval of these financial statements.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

In these financial statements, the company has applied the disclosure exemptions available under FRS 101 as follows:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments'
- The requirements of IFRS 7, 'Financial instruments: Disclosures'.
- The requirements of paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'
- The requirements of paragraph 38 of IAS 1, 'Presentation of financial statements'
- The requirements of IAS 7 to present a cash flow statement
- The requirements of paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'
- The requirements of paragraph 17 of IAS 24, 'Related party disclosures' and the requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of the Vinci Plc Group.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis.

New standard applicable from 1st January 2019: IFRS 16 "Leases"

A comprehensive review of IFRS16 was performed. There is no impact on the Company as it has no leases.

Critical accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgements. In particular, the Company's revenue and margin recognition policies require forecasts to be made of the outcomes of its long-term contracts. These require estimates and judgement to be made of both income and costs on each contract. For income, estimates and judgements are made on variations to contract values, typically due to changes in work scope. Cost estimates include assessing the expected final outcome of each contract as well as potential maintenance and/or defects costs. Judgements and estimates are reviewed regularly on an individual contract basis using latest available information and adjustments are made where necessary.

Going Concern

The entities' joint venture parent companies, VINCI Construction UK Limited (VCUK) and VINCI Environnement S.A.S. (VE) have agreed to provide financial resources for 12 months from the date of signing the financial statements to allow the entity to meet any obligations, as the entity sits in a net liability position at the balance sheet date. The Directors reviewed the budget and the forecasts of VCUK and VE for the period of at least 12 months and confirm that VCUK and VE have sufficient liquid resources to provide continuous financial support to the company to enable it to meet its debts as they fall due. As a result these financial statements have been prepared on a going concern basis.

Information on the outbreak of the coronavirus COVID-19 is disclosed in the strategic report under 'business risks'. As part of assessing the ability to continue as a going concern the Company also considered the impact of COVID-19 and a related potential global economic downturn on its business. This included a review of recent productivity on existing sites, the short-term order book and current bid activity. It considered the working capital implications of reduced activity and the mitigating actions available to management. As a result, and even though globally everyone is confronted with a high level of uncertainty, the Directors concluded that VCUK, VE and the company have sufficient financial resources and do not expect COVID-19 to have a material impact on the ability of the company to continue as a going concern.

Revenue

The revenue of the Company is recognised in accordance with IFRS 15. It includes the total of the work and services generated by the business pursuing its main activities.

The majority of the company's contracts involve only one performance obligation, which, for contract works is fulfilled progressively. For other goods and services, such as product orders, turnover is recognised at a point in time, when control of the commodity passes to the customer.

Where a contract includes several distinct performance obligations the Company allocates the overall price of the contract to each performance obligation in accordance with IFRS 15. That price corresponds to the amount of the consideration to which it expects to be entitled. Where the price includes a variable component - such as a performance bonus or a claim - the Company only recognises that consideration from the time agreement is reached with the client.

To measure progress towards completion of construction and service contracts, the Group uses either a method based on physical progress towards completion or a method based on the proportion of costs incurred, depending on the type of activity. Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Long term contracts

Long term contracts are those extending in excess of 12 months and of any shorter duration which are material to the activity of the period.

Amounts recoverable on contracts are included in debtors and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The margin on each contract is the lower of the margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims is taken into account.

Construction contract receivable

Amounts recoverable on contracts are included in receivables and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The percentage margin on each contract is the lower of the percentage margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is an agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims may be taken into account.

Foreign currency translations

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Resulting exchange gains and losses are taken to the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner or realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Trade and other receivables and payables

Trade and other receivables and payables are stated at their nominal amount (discounted if material) less impairment losses.

Cash and cash equivalents

The Company holds a cash balance of £510,000 (2018: £2,890,000) however, the cash balances are swept at the end of each business day to VINCI Finance International, a Group company registered in Belgium who acts as the Vinci group centralised treasury management entity.

These inter-company balances are highly liquid and accessible on demand and meet the definition of cash and cash equivalents.

1. **Revenue**

The principal activity of the Company is the Engineering, Procurement and Construction (EPC) of waste treatment plants. The Directors regard the whole of the activities of the Company as a single class of business. All of the turnover arose in the United Kingdom.

2. **Loss from operating activities**

This is stated after charging:

	2019 £000	2018 £000
Auditors' remuneration – audit fees	2	4

The Auditors' remuneration is paid by a related company without recourse.

3. **Employees**

The Company had no employees during the current or previous year other than the directors. None of the Directors received remuneration relating to their services as directors of Vinci Environment UK Limited during either year.

4. **Net financial income**

	2019 £000	2018 £000
Interest receivable		
Bank interest	16	18

5. Taxation charge

The taxation for the year comprised

	2019 £000	2018 £000
Current taxation	-	-
Deferred taxation -other	-	-
Tax charge on loss on ordinary activities	-	-

Current tax reconciliation

	2019 £000	2018 £000
Loss before taxation	(393)	(265)
Theoretical tax at UK corporation tax rate 19.00 % (2018: 19.00%)	75	50
Effects of :		
Group relief surrendered	(75)	(50)
Total tax charge	-	-

In the Spring Budget 2020, the Government announced that from 1st April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17th March 2020.

Corporation tax at 31 December 2019 has been calculated based on these rates.

6. Trade and other receivables

	2019 £000	Restated 2018 £000
Amounts recoverable on contracts	6,950	495
Due from group undertakings	21,777	1,310
Taxation and social security	1,020	1,089
Other debtors	-	22
	29,747	2,916

Amounts owed by group undertakings are unsecured, repayable on demand and are currently non-interest bearing.

The 2018 financial statements have been restated due to a prior year error. The restatement resulted in a £110,000 decrease in Revenue with corresponding decrease in Cost of Sales. The restatement increased amounts due from group undertakings and contract liabilities by £110,000 with the final balances being £1,310,000 and £1,210,000 respectively.

7. **Trade and other payables**

	2019 £000	Restated 2018 £000
Contract liability	21,677	1,210
Trade creditors	176	2,489
Due to parent and related party undertakings	8,108	2,213
Contract provisions	192	113
Accruals	716	-
	30,869	6,025

Amounts owed to group undertakings are unsecured, repayable on demand and are currently non-interest bearing.

Included in 2019 is a contract liability of £21.7m which has subsequently been settled.

The 2018 financial statements have been restated due to a prior year error. The restatement resulted in a £110,000 decrease in Revenue with corresponding decrease in Cost of Sales. The restatement increased amounts due from group undertakings and contract liabilities by £110,000 with the final balances being £1,310,000 and £1,210,000 respectively.

Contract Provisions

	1st January £000	Provisions taken £000	Provisions used £000	31st December £000
2019	113	112	(33)	192
2018	352	8	(247)	113

Contract provisions include provision on completion of contracts and construction project costs. They also include amounts covering work carried out in respect of completed projects.

8. **Called up share capital**

	Allotted, called up and fully paid			
	2019 No.000	2018 No.000	2019 £000	2018 £000
Ordinary shares of £1 each	100	100	100	100

Vinci Environment UK Limited is a private company, incorporated and domiciled in England and limited by shares.

9. ***Reconciliation of movement in shareholders' (deficit)/funds***

	2019 £000	2018 £000
Loss for the financial year	(393)	(265)
Net decrease in shareholders' (deficit)/funds	(393)	(265)
Opening shareholders' (deficit)/funds	(219)	46
Closing shareholders' deficit	(612)	(219)

10. **Capital commitments**

The company had no capital commitments at 31st December 2019 or 31st December 2018.

11. **Contingent liabilities**

The Company has entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and certain fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2019, the net Group bank borrowings were £nil (2018: £nil).

12. ***Related party transactions***

The company has applied the exemptions available under FRS101 in respect of transactions with wholly owned subsidiaries.

13. **Post Balance Sheet Events**

Subsequent to the year-end the company, together with its subcontractors, reached settlement agreement in respect of completed projects. As a result of these settlement agreements the company recognised amounts due from group undertakings of £21.8m and contract liabilities of £21.7m, both of which have been settled subsequent to the year-end.

The Directors have assessed the impact of COVID-19 and responses taken since the pandemic began which are referred to in the Strategic Report and have determined that there is no material impact on the results of operations and the financial position of the company. The Directors concluded that the impact of COVID-19 is a non-adjusting subsequent event.

Apart from the above two events, no other matters have arisen since the year end that require disclosure in the financial statements.

14. Ultimate parent undertaking

The Company is a joint venture between VINCI Construction UK Ltd (VCUK) and VINCI Environnement S.A.S. (VE). VCUK is incorporated in the United Kingdom and VE is incorporated in France. Both VCUK and VE are subsidiaries of VINCI.

The ultimate controlling party is VINCI, a company incorporated in France which also heads the largest group in which the results of the Company are consolidated. The consolidated financial statements of this group can be obtained from the Company Secretary, VINCI, 1 Cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France. The smallest group in which they are consolidated is that headed by VINCI Construction UK Limited. Copies of VINCI Construction UK Limited's financial statements may be obtained from the Company Secretary, VINCI Construction UK Limited, Astral House, Imperial Way, Watford, Hertfordshire, England, WD24 4WW.