

REGISTERED NUMBER: 00937574 (England and Wales)

Cementation Skanska Limited

Strategic Report, Directors' Report and Audited Financial Statements

For the Year Ended 31st December 2021

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Cementation Skanska Limited (Registered number: 00937574)

**Contents of the Financial Statements
For the Year Ended 31st December 2021**

Contents

Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Directors' Responsibilities	6
Report of the Independent Auditors	7
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

Cementation Skanska Limited (Registered number: 00937574)

**Company Information
For the Year Ended 31st December 2021**

Directors: A N Entwistle
T Muckian

Secretary: S Leven

Registered office: 1 Hercules Way
Leavesden
Watford
WD25 7GS

Registered number: 00937574 (England and Wales)

Auditor: Ernst & Young LLP
1 More London Place
London
SE1 2AF

Cementation Skanska Limited (Registered number: 00937574)

Strategic Report For the Year Ended 31st December 2021

The Directors present their Strategic Report for the year ended 31st December 2021.

Review of business

The Company recorded revenues of £64,941,000 (2020: £41,907,000) and operating profit of £1,791,000 (2020: £1,027,000) with an operating margin of 2.8%. The Company continued to invest in the business during the year to ensure that it continues to build upon its place in the piling, foundations and ground engineering market.

Key performance indicators

The Company's key performance indicators are revenue growth and operating margin. This is consistent with Skanska UK Plc and the other principal trading companies within the Skanska Group.

In addition, the Company is monitored throughout the year against a scorecard of issues which included: client satisfaction assessments; the number of employee performance appraisals and development plans undertaken; adherence to the Skanska Group's in-house commercial procedures.

Principal risks and uncertainties

The Company's principal risks and uncertainties are related to the contracts it undertakes to perform. Exposure to credit, interest rate and liquidity risk arises in the normal course of business:

- Management has a credit policy in place. Credit evaluations are performed on all prospective customers prior to entering into construction contracts and exposure to credit risk is monitored on an ongoing basis. At the statement of financial position date there was no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of trade receivables and amounts due from customers for contract work at the statement of financial position date.
- The Company does not seek to reduce exposure to fluctuations in interest rates through the use of derivative financial instruments. The Company meets its day to day working capital requirements through an inter-Company UK pooling arrangement and does not have any bank debt or other external borrowings or facilities.
- Liquidity/cash flow risk is the risk that an entity will encounter difficulty meeting obligations associated with financial liabilities. The Company aims to mitigate these risks by setting and monitoring cash flow targets and by assessing credit worthiness of all material business partners.
- COVID-19 introduced increased risk to all areas of the Company during 2020. A risk averse culture coupled with open and collaborative relationships with our stakeholders has and will continue to mitigate the impact on delivery and financial performance.
- A year on since the UK left the EU, Brexit has not had a material financial impact on the Company. A reason for this is that we have worked closely with our key supply chain to ensure the fallout from the EU exit (and COVID-19 return to work) is managed from a risk perspective including availability of workforce. The Business continues to review all aspects of how this legislative change could impact its operation and ensure steps are in place to mitigate any financial degradation.

COVID-19 Pandemic

Whilst variants of COVID-19 persist, the UK's economic bounce back was faster than predicted as spending surged after lockdown measures were lifted. Restrictions onsite and in offices were removed across the Company at the end of the first half of 2021, as per government guidelines and policy. Key reporting and review processes implemented at the start of the pandemic continued to be used, enabling management to continue concentrating on cash management and managing potential financial exposure on a proactive basis.

Throughout the pandemic, the fundamental values that underpin our business have been prominent in all decision making. Clear communication and standing side by side with our dedicated and exceptional employees have been key, alongside a supportive and collaborative level of engagement with our clients and supply chain partners. The Company's existing Health & Safety framework and culture has once again proven to be a real strength of our operational delivery, keeping everyone safe.

Detailed monitoring of the workforce and its health continues to be paramount in Management's strategy, ensuring their safety and also the safety of our partners.

**Strategic Report
For the Year Ended 31st December 2021**

Market & outlook

Throughout the pandemic, market conditions have been very unpredictable, so as a Business we have continued to apply a highly cautious approach to our forecasting and management. Regardless of this, during the period, the Business have been successful in being awarded some highly valuable projects, that suggests the market is still offering a healthy and sizeable set of opportunities.

We remain mindful of the market conditions driven by the wider economic and geo-political challenges and continue to work proactively with both our customers and supply chain to monitor and mitigate headwinds in commodity and energy costs to protect the financial performance of the Business in the short, medium- and long-term.

The environment

The Company is required to pursue policies that comply with the relevant legislation and standards applicable to its particular industries. Further information on how the Group board is committed to the protecting the environment and making a positive contribution to a more sustainable world is set out on page 6 of the Skanska UK Plc 2021 Consolidated Financial Statements.

The exemption has been taken for the disclosures concerning greenhouse gas emissions, energy consumption and energy efficiency action under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as the Company has been included in the group report of Skanska UK Plc.


Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires Directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term,
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others,
- impact of the company's operations on the community and environment,
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

The Company primarily acts as holding company of its main subsidiary, Skanska UK PLC. The key stakeholders of Skanska UK PLC are its workforce, customers, suppliers and the local communities in which it operates. The views of and the impact of activities undertaken by the Company's subsidiaries on its stakeholders are an important consideration for the Directors when making relevant decisions. The size and spread of both the Skanska Group's stakeholders means that generally stakeholder engagement takes place at an operational and group level. This is considered a more efficient and effective approach and helps achieve a greater positive impact on environmental, social and other issues than by working alone as individual companies. For details of the engagement that takes place with the Skanska Group's stakeholders so as to encourage the Directors to understand the issues to which they must have regard please see page 12 of the Skanska UK Plc's 2021 Consolidated Financial Statements

By order of the board:



.....
T Muckian - Director

Date: 29 September 2022

Cementation Skanska Limited (Registered number: 00937574)

Directors' Report For the Year Ended 31st December 2021

The Directors present their report with the financial statements of the Company for the year ended 31st December 2021. This Directors' Report should be read in conjunction with the Strategic Report, which shall be deemed to form part of this Directors' Report to the extent required by applicable law and regulations.

Principal activity

The Company's principal activities are to carry out piling and foundation work, including ground engineering.

Dividends

No dividend is proposed for the year ended 31st December 2021 (2020: £nil).

Future developments

While the market conditions remain challenging, the Board considers that there is scope for development of the Company's activities.

Directors

The Directors who have held office during the period from 1st January 2021 to the date of this report are:

J M Dunbar	(resigned 24 th September 2021)
J D Morris	(resigned 7 th June 2022)
T Muckian	(appointed 24 th September 2021)
A N Entwistle	(appointed 7 th June 2022)

Directors' interests and transactions with Directors

None of the Directors at 31st December 2021 had any interests required to be disclosed under Section 182 of the Companies Act 2006. There were no changes in the Directors' interests between 31st December 2021 and the date of this report. No Director during the year had a material interest in any contract significant to the Company's business.

Directors' indemnity provisions

In accordance with the requirements of the Companies (Audit, Investigations and Community Enterprise) Act 2004, as at the date of this report, the articles of association contained provision for third-party qualifying indemnities where the Company had agreed to indemnify the Directors in respect of losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company, and this was in force throughout the financial year ended 31st December 2021.

Policy on payment of creditors

Operating businesses within the Skanska Group are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is the Company's policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions.

Employment policies

The Directors recognise that employees are fundamental to the Company's success and are committed to the involvement and development of employees at all levels. The Company is committed to a policy of providing equal opportunities for all, regardless of race, religion, sex or disability. The Company is committed to training and management development, so as to ensure a supply of trained and skilled employees.

To reflect society at large, the areas in which the Company works, and its customer profile, the Company needs to increase the diversity of its workforce in terms of educational and occupational background, gender and ethnicity. Therefore, the Company is broadening its recruitment base by attaching greater importance to these issues. Examples of our approach in this area include the establishment of a number of employee networks to give a greater voice to under-represented Groups, a mixed pair mentoring programme, and a Returners programme which provides a supportive bridge back into employment for people who have been out of the work arena for reasons such as caring responsibilities or raising a family.

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Skanska Group. This is achieved through formal and informal meetings and in-house publications. The Directors ensure that employees or their representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Cementation Skanska Limited (Registered number: 00937574)

**Directors' Report
For the Year Ended 31st December 2021**

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Post balance sheet events

There have been no post balance sheet events that require disclosure or adjustment in these financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development and financial position, are set out above. In addition, the Directors continue to assess the continuing impact of BREXIT and the emerging impact of the Ukraine crisis on the business through additional stress testing of the budgets and forecasts. The Directors having given due consideration to these believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Company meets its day to day working capital requirements through an inter-Company UK pooling arrangement and does not have any bank debt or other external borrowings or facilities. Such arrangements are commonplace in large groups and facilitates effective cash management. The Company has concluded that it relies upon the continuing financial support of its UK parent entity, Skanska UK Plc as this entity controls the movement of cash between UK group companies.

Skanska UK Plc has confirmed it will provide financial support to the Company to assist with meeting liabilities as they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. Skanska UK Plc has also confirmed that it has the ability to provide such support and will provide this support to the Company, to the extent outlined above, for the period from the date of signing these financial statements to 31st December 2023. The Group's financial forecasts, taking into consideration the current environment, show that the Group has adequate resources to continue in operational existence for the period from the date of signing these financial statements to 31st December 2023.

The Directors of the Company have made appropriate enquiries to ensure that Skanska UK Plc have sufficient resources to provide the support. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet their liabilities as and when they fall due from when the financial statements are authorised for issue through to the period ended 31st December 2023 and therefore have prepared the financial statements on a going concern basis.

Section 172 (1) statement

Disclosures in relation to section 172 are included within the Strategic Report.

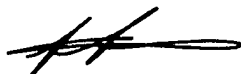
Statement as to disclosure of information to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board:



.....
T Muckian - Director

Date: 29 September 2022

Cementation Skanska Limited (Registered number: 00937574)

**Statement of Directors' Responsibilities
For the Year Ended 31st December 2021**

The Directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK accounting standards 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 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. 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.

Report of the Independent Auditors to the Members of Cementation Skanska Limited

Opinion

We have audited the financial statements of Cementation Skanska Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from when the financial statements are authorised for issue to 31 December 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.

Report of the Independent Auditors to the Members of Cementation Skanska Limited

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 6, 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.

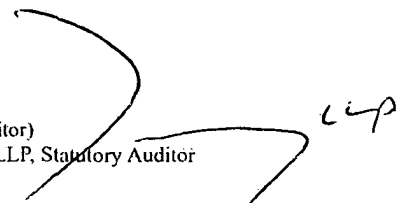
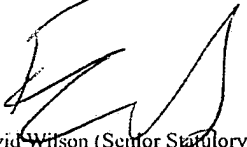
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, Bribery Act 2010, Construction (Design and Management) Regulations 2015 and the relevant tax regulations in the United Kingdom.
- We understood how Cementation Skanska Limited is complying with those frameworks through enquiry with management, and by identifying the Company's policies and procedures regarding compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, compliance issues reported through a whistleblowing hotline and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiry with management (including legal) and those charged with governance to understand where they considered there was susceptibility to fraud. As part of this we understood the performance targets of management. We also considered the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing manual journals and other journals identified by specific risk criteria, review of board minutes and any legal correspondence, enquiries with senior management and where applicable, those charged with governance and obtaining written representations from the Directors of the Company.

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.

Report of the Independent Auditors to the Members of Cementation Skanska Limited

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.



David Wilson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 29 September 2022

Cementation Skanska Limited (Registered number: 00937574)

**Statement of Comprehensive Income
For the Year Ended 31st December 2021**

	Notes	2021 £'000	2020 £'000
Revenue	4	64,941	41,907
Cost of sales		<u>(54,496)</u>	<u>(33,103)</u>
Gross profit		10,445	8,804
Other operating income	5	-	933
Administrative expenses		<u>(8,654)</u>	<u>(8,710)</u>
Operating profit		1,791	1,027
Interest receivable and similar income	7	15	39
Profit before taxation	8	1,806	1,066
Tax	9	<u>(616)</u>	<u>(59)</u>
Profit for the financial year		<u>1,190</u>	<u>1,007</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,190</u>	<u>1,007</u>

All activity relates to continuing operations.


The notes on pages 13 to 24 form part of these financial statements

Cementation Skanska Limited (Registered number: 00937574)

**Statement of Financial Position
For the Year Ended 31st December 2021**

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	<u>13,393</u>	<u>14,127</u>
Current assets			
Inventory	11	483	577
Trade and other receivables	12	4,032	2,338
Contract assets	14	4,755	1,148
Cash at bank		<u>9,733</u>	<u>11,267</u>
		<u>19,003</u>	<u>15,330</u>
Total Assets		<u><u>32,396</u></u>	<u><u>29,457</u></u>
Equity			
Shareholder's equity			
Called up share capital	18	7,500	7,500
Retained earnings		<u>12,374</u>	<u>11,184</u>
Total equity		<u>19,874</u>	<u>18,684</u>
Liabilities			
Non-current liabilities			
Provisions	17	3,325	6,214
Deferred tax	13	<u>1,285</u>	<u>350</u>
		<u>4,610</u>	<u>6,564</u>
Current liabilities			
Trade and other payables	15	6,622	3,920
Contract liabilities	16	<u>1,290</u>	<u>289</u>
		<u>7,912</u>	<u>4,209</u>
Total liabilities		<u>12,522</u>	<u>10,773</u>
Total equity and liabilities		<u><u>32,396</u></u>	<u><u>29,457</u></u>

The financial statements were approved by the Board of Directors on 29 September 2022 and were signed on its behalf by:



.....
T Muckian - Director

The notes on pages 13 to 24 form part of these financial statements

Cementation Skanska Limited (Registered number: 00937574)

**Statement of Changes in Equity
For the Year Ended 31st December 2021**

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January 2020	7,500	10,177	17,677
Changes in equity			
Profit for the year	-	1,007	1,007
Other comprehensive income	-	-	-
Total comprehensive income	-	1,007	1,007
Balance as at 31 December 2020	7,500	11,184	18,684
Changes in equity			
Profit for the year	-	1,190	1,190
Other comprehensive income	-	-	-
Total comprehensive income	-	1,190	1,190
Balance as at 31 December 2021	7,500	12,374	19,874

The notes on pages 13 to 24 form part of these financial statements

Cementation Skanska Limited (Registered number: 00937574)

Notes to the Financial Statements For the Year Ended 31st December 2021

1. Statutory information

Cementation Skanska Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£000).

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and include the results of activities described in the Directors' Report all of which are continuing.

The Company meets its day to day working capital requirements through an inter-Company UK pooling arrangement and does not have any bank debt or other external borrowings or facilities. Such arrangements are commonplace in large groups and facilitates effective cash management. The Company has concluded that it relies upon the continuing financial support of its UK parent entity, Skanska UK Plc as this entity controls the movement of cash between UK group companies.

Skanska UK Plc has confirmed it will provide financial support to the Company to assist with meeting liabilities as they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities. Skanska UK Plc has also confirmed that it has the ability to provide such support and will provide this support to the Company, to the extent outlined above, for the period from the date of signing these financial statements to 31st December 2023. The Group's financial forecasts, taking into consideration the current environment, show that the Group has adequate resources to continue in operational existence for the period from the date of signing these financial statements to 31st December 2023.

The Directors of the Company have made appropriate enquiries to ensure that Skanska UK Plc have sufficient resources to provide the support. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet their liabilities as and when they fall due from when the financial statements are authorised for issue through to the period ended 31st December 2023 and therefore have prepared the financial statements on a going concern basis.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(c) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 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 paragraphs 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;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.
- the requirements of the second sentence of paragraph 110, and paragraph 113(a), 114, 115, 118, 119(a), to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

2. Accounting policies - continued

The results of the Company are included in the consolidated financial statements of Skanska Construction UK Limited which have been prepared in accordance with IFRS and are available from 1 Hercules Way, Leavcsden, Watford, WD25 7GS.

Early adoption of new or revised IFRS and interpretations

There has been no early adoption of new or revised IFRS or interpretations.

New standards and interpretations

There are no new standards, amendments and interpretations that are effective for the first time for periods beginning on or after 1 January 2021 and have a material impact on the Company.

Revenue

Revenue represents the sales value of work done on construction contracts and services activities in the period and excludes VAT. Profit and revenue on construction contracts is calculated in accordance with IFRS 15 Revenue from Contracts with Customers.

When an outcome of a construction contract can be estimated reliably, the Company's preferred method of revenue is the output method in which revenue is recognised based on the units of work performed and the price allocated thereto. This method is applied provided that the progress of the work performed can be measured based on the contract and during the contract's performance. Under this output method the units of work completed under each contract are measured monthly and the corresponding output is recognised as revenue. Where it is not practicable to apply this 'units of production' output method, the 'percentage of completion' input method is used instead. Under this input method costs are recognised as incurred and revenue is recognised based on the proportion of total costs at the reporting date to the estimated total costs of the contract.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered highly probable i.e. agreed with the customer. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is highly probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as a provision for forecast losses.

Contract assets and Contract liabilities

Unlike the method used to recognise contract revenue, the amounts billed to the customer are based on the monthly achievement of progress towards our performance obligation in the contract and on acknowledgement thereof by the customer, which takes the form of a contractual document call a 'certificate of completion' or 'work order'. Thus, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which goods and services transferred to the customer exceed the related amount billed or certified, the difference is recognised as a contract asset. Whereas in contracts in which the goods or services transferred are lower than the amount billed to or certified by the customer, the difference is recognised as a contract liability.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Trade receivables and other receivables do not carry any interest and are stated at their nominal value, reduced by appropriate allowances for estimated irrecoverable amounts. Overdrafts are stated at their nominal value. Interest is recognised as it accrues using the effective interest method. Trade payables on normal terms are not interest bearing and are stated at their nominal value.

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

2. Accounting policies - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant, and equipment, other than land, on a straight line basis over its expected useful life as follows:

Plant & Equipment 3-10 years

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of consumables is calculated based on purchase cost on a first-in/first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Taxation

Current income tax is recognised in the statement of comprehensive income, except tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred taxation is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recorded only to the extent that they are considered recoverable.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

2. Accounting policies - continued

Leases (continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Nature of leasing activities (in the capacity as lessee)

The Company leases property from which it operates. In some cases, the lease contracts provide for payments to increase each year by inflation or reset periodically to market rental rates. In some property leases the periodic rent is fixed over the lease term.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

The Company routinely uses assets under a lease where a fellow group undertaking is the contracting entity. During the year the Company was not the contracting entity under any right-of-use lease arrangements.

Cash

Cash in the statement of financial position comprises cash at banks and on hand and with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Where there is the right to offset cash balance and overdrafts these are shown net in the financial statements.

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

2. Accounting policies: Continued

Employee benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

Certain of the Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is a fellow group company. The Company recognises a cost in its statement of comprehensive income equal to its contribution payable for the period, but does not separately recognise the related assets and liabilities on its statement of financial position. The contribution paid by the entity is based on employees' salaries.

Associated undertakings and joint arrangements

A joint arrangement exists where the co-owners have rights to the assets of the arrangement and obligations for the liabilities of the arrangement. An arrangement that is not structured through the formation of a separate Company is a joint operation. Contracting projects performed in cooperation with outside contracting companies, with joint and several liability, are reported by the Company as joint operations. If the arrangement is a separate Company but the majority of the Company's production is acquired by the co-owners, then the arrangement is often considered to be a joint operation. If, on the other hand, the co-owners of the arrangement only have rights to the net assets of the arrangement, it is a joint venture. Classification of a joint arrangement requires consideration of its legal form, the terms agreed by the parties in the contractual arrangement and other circumstances.

An associated undertaking is an entity over which the Company holds a participating interest on a long-term basis and exercises significant influence. Interests in associated undertakings are included in the consolidated financial statements using the equity accounting method.

The Company has entered into a number of joint operations with different partners for the purposes of undertaking specific contracts. Interests in joint operations are accounted for by recognising the Company's share of income and expenses and assets and liabilities measured according to the terms of the arrangements.

Foreign currency translation

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Pre-contract cost

Costs associated with bidding for contracts are expensed as incurred. Once the Company has secured preferred bidder status and it is probable that the contract will be awarded, future costs are capitalised in the statement of financial position.

Notes to the Financial Statements
For the Year Ended 31st December 2021

3. Accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that and prior periods, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and judgements in drawing up the financial statements are in connection with construction contracts in progress, claims on construction contracts, lease length and incremental borrowing rate used.

The accounting policy for revenue, details the principal estimation techniques used in establishing attributable profit on construction contracts.

Determination of lease term for some lease contracts in which the Company is a lessee - The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Determination of the incremental borrowing rate used to measure lease liabilities - The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The IBR is determined on a quarterly basis, by the Group's ultimate parent entity, Skanska AB.

The Company routinely uses assets under a lease where a fellow group undertaking is the contracting entity. During the year the Company was not the contracting entity under any right-of-use lease arrangements.

4. Revenue

The revenue is attributable to the one principal activity of the Company.

An analysis of revenue by geographical market for the year ended 31st December 2021 is given below:

	2021 £'000	2020 £'000
United Kingdom	<u>64,941</u>	<u>41,907</u>

5. Other operating income

	2021 £'000	2020 £'000
Other income	<u>-</u>	<u>933</u>

Other income relates to money received from Skanska UK Plc supporting the payroll of the Company's employees during the COVID-19 pandemic.

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

6. Employees and Directors

	2021	2020
	£'000	£'000
Wages and salaries	14,961	15,659
Social security costs	1,582	1,589
Other pension costs	1,703	1,431
	<u>18,246</u>	<u>18,679</u>

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

	2021	2020
Management and administration	179	171
Technical	117	128
	<u>296</u>	<u>299</u>

	2021	2020
	£'000	£'000
Directors' remuneration	398	488
Long-term incentive plans	30	5
Pensions	27	27
	<u>455</u>	<u>520</u>

Information regarding the highest paid Director is as follows:

	2021	2020
	£'000	£'000
Remuneration	185	249
Long-term incentive plans	22	-
Pension	7	27
	<u>214</u>	<u>276</u>

The number of Directors to whom retirement benefits were accruing under defined contribution schemes was 1 (2020: 1).

7. Interest receivable and similar income

	2021	2020
	£'000	£'000
Interest receivable and similar income:		
Bank interest	15	39
	<u>15</u>	<u>39</u>

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

8. Profit before taxation

The profit / (loss) before income tax is stated after charging / (crediting):

	2021	2020
	£'000	£'000
Depreciation of owned assets	2,477	2,200
Profit on disposal of fixed assets	(855)	(7)
Depreciation of right-of-use assets	-	53
Cost of inventory recognised as an expense	847	455
Foreign exchange losses / (gains)	-	1
Audit fees	13	30

9. Taxation

Analysis of tax expense

	2021	2020
	£'000	£'000
Current tax		
UK Corporation Tax current year	(247)	(5)
Adjustments in respect of prior year	(72)	(694)
	(319)	(699)
Deferred tax		
Current year	656	206
Adjustments in respect of prior year	168	600
Change in tax rate	111	(48)
	935	758
Total tax charge	616	59

Factors affecting the tax expense

The difference between tax assessed for the year and the standard rate of corporation tax in the UK is explained below:

Reconciliation of profits to total tax charge:		
Profit before tax	1,807	1,066
Profit before tax multiplied by standard rate of corporation tax in the UK 19% (2020: 19%)	343	203
Effects of:		
Expenses not deductible for tax purposes	66	(2)
Adjustment in respect of prior years	96	(94)
Change in tax rate	111	(48)
Tax expense / (credit)	616	59

Changes in corporation tax rate

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted on 24 May 2021 and hence deferred taxes on the balance sheet have been measured at 25% (2020 - 19%) which represents the future corporation tax rate that was enacted at the balance sheet date. The UK fiscal statement on 23 September 2022 included measures to target annual economic growth of 2.5%, encourage investment, higher wages and increased consumer spending. These measures included the cancellation of the planned increase in the corporation tax rate to 25%. The cancellation was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. If the Company's deferred tax balances at the period end were remeasured at 19% this would result in a deferred tax charge of £309,000.

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

10. Property, plant and equipment

	Plant and machinery £'000
Cost	
At 1 January 2021	36,353
Additions	1,908
Disposals	<u>(2,105)</u>
At 31 December 2021	<u>36,156</u>
Depreciation	
At 1 January 2021	22,226
Charge for the year	2,477
Eliminated on disposal	<u>(1,940)</u>
At 31 December 2021	<u>22,763</u>
Net book value	
At 31 December 2021	<u>13,393</u>
At 31 December 2020	<u>14,127</u>

11. Inventory

	2021 £'000	2020 £'000
Consumables	<u>483</u>	<u>577</u>

12. Trade and other receivables

	2021 £'000	2020 £'000
Trade debtors	1,526	1,316
Amounts owed by fellow group undertakings	14	6
Other receivables	1,831	55
Corporation tax	319	699
Prepayments and accrued income	<u>342</u>	<u>262</u>
	<u>4,032</u>	<u>2,338</u>

Amounts owed by fellow group undertakings are unsecured, interest-free and repayable on demand.

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

13. Deferred tax

	2021	2020
	£'000	£'000
Accelerated capital allowances	(1,285)	(636)
Other deductible temporary differences	-	286
	<u>(1,285)</u>	<u>(350)</u>

Analysis of movements in the year

	2021
	£'000
As at 1 January 2021	(350)
Deferred tax recognised in the profit and loss	(935)
	<u>(1,285)</u>
As at 31 December 2021	<u>(1,285)</u>

14. Contract assets

At 31 December 2021, the Company had contract assets of £4,755,000 (2020: £1,148,000). Contract assets consists of work-in-progress.

15. Trade and other payables

	2021	2020
	£'000	£'000
Trade creditors	3,668	1,681
Amounts payable to fellow group undertakings	278	161
Other creditors	597	451
Accruals	2,079	1,627
	<u>6,622</u>	<u>3,920</u>

Amounts payable to fellow group undertakings are unsecured, interest-free and repayable on demand.

Trade creditors and other creditors are non-interest bearing and are normally settled on 30-day terms.

16. Contract liabilities

At 31 December 2021, the Company had contract liabilities of £1,290,000 (2020: £289,000). Contract liabilities consists of billings-in-excess.

Revenue recognised in the year from amounts that were included in contract liabilities at the beginning of the year equals £289,000 (2020: £6,027,000). Revenue recognised in the year from performance obligations satisfied in previous years equals £nil (2020: £nil).

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

17. Provisions

	Warranty £'000
As at 1 January 2021	6,214
Released in the year	(2,596)
Created in the year	1,424
Utilised	(1,717)
	<hr/>
As at 31 December 2021	3,325

Provisions for liabilities are incurred in the normal course of business and are expected to be utilised within two years.

Warranty provisions were made in the normal course of our business.

18. Called up share capital

Authorised, allotted, issued and fully paid share capital:

Number:	Class	Nominal Value:	2021 £'000	2020 £'000
7,500,000	Ordinary	£1	7,500	7,500

19. Retirement benefit obligations

The Skanska Pension Fund

Skanska UK Plc, a parent of the Company, is the sponsoring employer of The Skanska Pension Fund. The Company, in its capacity as employing company, participates in this fund, which includes a defined benefit section and a defined contribution section. The costs associated with The Skanska Pension Fund are incurred and accounted for in Skanska UK Plc, which subsequently charges the Company with its share of pension costs. Details of the pension scheme can be found in the financial statements of Skanska UK Plc.

20. Contingent liabilities

The Company faces contingent liabilities in respect of guarantees and potential claims by third parties under contracting agreements entered into by them in the normal course of business. These are provided as liabilities only to the extent that the Directors believe that the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligation.

21. Joint operations

The Company routinely enters into Joint operations for the purpose of undertaking specific contracts. The principal Joint operation within the Company as at 31 December 2021 is as follows:

Name of Joint operation	Joint operation partners	Control
Cementation Skanska Balfour Beatty Ground Engineering Joint Venture	Balfour Beatty Ground Engineering Limited	50%

The addresses of this Joint operation are as follows:

1 1 Hercules Way, Leavesden, Watford, WD25 7GS

2 The Curve Building Axis Business Park Hurricane Way Langley Berkshire SL3 8AG

Cementation Skanska Limited (Registered number: 00937574)

**Notes to the Financial Statements
For the Year Ended 31st December 2021**

22. Post balance sheet events

There have been no post balance sheet events that require disclosure or adjustment in these financial statements.

23. Ultimate parent company

Skanska Construction UK Limited is the immediate parent undertaking and heads the smallest group in which the results of the Company are consolidated.

The ultimate parent company is Skanska AB, a company incorporated in Sweden, which heads the largest group in which the results of the Company are consolidated. The registered address for Skanska AB is Warfväges väg 25, SE-112 74 Stockholm, Sweden.

Copies of the Skanska Construction UK Limited and Skanska AB financial statements can be obtained from Skanska UK Plc at 1 Hercules Way, Leavesden, Watford, WD25 7GS.