

REGISTERED NUMBER: 03686027 (England and Wales)

**Skanska J.V. Projects Ltd**  
**Directors' Report and unaudited Financial Statements**  
**For The Year Ended 31st December 2021**

MONDAY



\*ABAYQQCW\*

A05

22/08/2022

#143

COMPANIES HOUSE

Skanska J.V. Projects Ltd (Registered number: 03686027)

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

**Contents**

<b>Company Information .....</b>	<b>1</b>
<b>Directors' Report .....</b>	<b>2</b>
<b>Statement of Comprehensive Income .....</b>	<b>5</b>
<b>Statement of Financial Position .....</b>	<b>6</b>
<b>Statement of Changes in Equity .....</b>	<b>7</b>
<b>Notes to the Financial Statements .....</b>	<b>8</b>

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**Directors:** C K K Gangotra  
T P Faulkner  
K M Dowding

**Secretary:** S Leven

**Registered office:** Maple Cross House  
Denham Way  
Maple Cross  
Rickmansworth  
Hertfordshire  
WD3 9SW

**Registered number:** 03686027 (England and Wales)

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

**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.

**Principal activity**

The principal activity of the Company is the provision of construction services. It is a vehicle through which Skanska UK group undertakes certain contracts involving joint venture partners. These activities are continuing.

**Results and Dividends**

The company reported revenues of £18,579,000 in the year (2020: £11,159,000) and made an operating profit of £1,013,000 (2020: £4,093,000 loss). No dividend is proposed for the year ending 31st December 2021 (2020: £15,000,000 (£27.27) per share).

**Future developments**

The Company will continue to focus on its new business plan launched in 2022 which will set out our direction for the next several years as well as continuing to focus on mitigation plans in respect of BREXIT.

**Directors**

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

K M Dowding  
C K K Gangotra  
T P Faulkner

**Directors' interests and transactions with Directors**

None of the Directors at 31st December 2021 had any interests required to be disclosed under Section 182 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 provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004, as at the date of this report, the articles of association contained provisions 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 Group'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.

**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.

**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 Skanska Group 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.

**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.

Skanska J.V. Projects Ltd (Registered number: 03686027)

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

**Audit exemption**

For the year ended 31st December 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

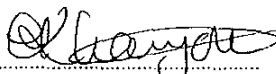
The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

**Directors' responsibilities**

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

**By order of the board:**

  
.....  
C K K Gangotra - Director  
Date: ..... 22/7/22 .....

Skanska J.V. Projects Ltd (Registered number: 03686027)

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

	Notes	2021 £'000	2020 £'000
Turnover	4	18,579	11,159
Cost of sales		<u>(17,194)</u>	<u>(15,031)</u>
Gross profit/(loss)		1,385	(3,872)
Administrative expenses		<u>(372)</u>	<u>(221)</u>
Operating profit/(loss)		1,013	(4,093)
Interest payable and similar expenses	6	(84)	(95)
Interest receivable and similar income		<u>-</u>	<u>22</u>
Profit/(loss) before taxation		929	(4,166)
Tax	7	<u>3</u>	<u>1,041</u>
Profit/(loss) for the financial year		<u>932</u>	<u>(3,125)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year		<u>932</u>	<u>(3,125)</u>

The notes on pages 8 to 15 form part of these financial statements

Skanska J.V. Projects Ltd (Registered number: 03686027)

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

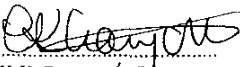
	Notes	2021 £'000	2020 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	51,793	55,850
Debtors: amounts falling due after more than one year	9	17	15
Contract assets	10	1,630	235
Cash at bank		16,911	17,904
		<u>70,351</u>	<u>74,004</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	11	(47,697)	(50,596)
Contract liabilities	12	-	(2,156)
		<u>(47,697)</u>	<u>(52,752)</u>
<b>Net current assets</b>		<u>22,654</u>	<u>21,252</u>
<b>Total assets less current liabilities</b>		<u>22,654</u>	<u>21,252</u>
Provisions for liabilities	13	(6,609)	(6,139)
<b>Net assets</b>		<u>16,045</u>	<u>15,113</u>
<b>Capital and reserves</b>			
Called up share capital	14	550	550
Retained earnings		15,495	14,563
<b>Shareholders' funds</b>		<u>16,045</u>	<u>15,113</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31st December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 22/7/22 and were signed on its behalf by:

  
C K K Gangoura - Director



**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
<b>Balance at 1st January 2020</b>	27,100	6,138	33,238
<b>Changes in equity</b>			
Loss for the year	-	(3,125)	(3,125)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(3,125)	(3,125)
Share capital reduction	(26,550)	26,550	-
Dividends paid	-	(15,000)	(15,000)
<b>Balance as at 31st December 2020</b>	<b>550</b>	<b>14,563</b>	<b>15,113</b>
<b>Changes in equity</b>			
Profit for the year	-	932	932
Other comprehensive income	-	-	-
Total comprehensive expense	-	932	932
<b>Balance as at 31st December 2021</b>	<b>550</b>	<b>15,495</b>	<b>16,045</b>

The notes on pages 8 to 15 form part of these financial statements

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**1. Statutory information**

Skanska J.V. Projects Ltd is a private Company, limited by shares, registered 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) unless otherwise stated.

**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 participates in the Group's centralised treasury operations and so shares banking arrangements with its parent and fellow subsidiaries. As part of the arrangements with the Group's bankers (Skandinaviska Enskilda Banken AB) cash balances are reviewed on a daily basis and transferred between group UK companies when necessary; such arrangements are commonplace in large groups and facilitates effective cash management. The Company has prepared a going concern assessment which has concluded that the Company 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 is expected to maintain positive cash flows giving the group the ability to continue to operate 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;
- 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 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.

Skanska J.V. Projects Ltd (Registered number: 03686027)

**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 Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW.

**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 Company 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.

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**2. Accounting policies - continued**

**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 profit or loss 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.

**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.

**Employee benefit costs**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the income statement 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 income statement equal to its contribution payable for the period, but does not separately recognise the related assets and liabilities on its balance sheet. The contribution paid by the entity is based on employees' salaries.

**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 balance sheet date. All differences are taken to the income statement.

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.

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

**2. Accounting policies - Continued**

**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 financial position.

**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.

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.

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

**4. Revenue**

The revenue and profit before taxation are 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>18,579</u>	<u>11,159</u>

**5. Employees and Directors**

All employees providing services to the Company are employed by the parent Company and associated costs recharged to the Company. Total costs borne by the Company in this respect during the year were £3,119k (2020: £2,658k).

No Directors' emoluments, fees or other costs were incurred by the Company during the current year. The Directors were remunerated by other Skanska group companies for their qualifying services provided to those entities. The amount of that remuneration apportioned to the Company is £nil (2020: £nil).

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**6. Finance costs**

	2021 £'000	2020 £'000
Interest payable and similar expense:		
Bank interest	(84)	(95)
Interest receivable and similar income:		
Bank interest	-	22
Net interest payable	(84)	(73)

**7. Taxation**

**Analysis of tax credit**

	2021 £'000	2020 £'000
<b>Current tax</b>		
UK corporation tax current year	1	(961)
Adjustments in respect of prior year	(2)	(82)
	(1)	(1,043)
<b>Deferred tax</b>		
Current year	4	4
Change in tax rate	(6)	(2)
	(2)	2
<b>Total tax credit</b>	(3)	(1,041)

**Factors affecting the tax expense**

The difference in the tax assessed for the year compared to the standard rate of corporation tax in the UK is explained below

<b>Reconciliation of profits to total tax charge:</b>		
Profit/(loss) before tax	929	(4,168)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK 19% (2020: 19%)	178	(792)
Effects of:		
Transfer pricing adjustment	(173)	(165)
Adjustment in respect of prior years	(2)	(82)
Change in rate	(6)	(2)
<b>Total tax credit</b>	(3)	(1,041)

**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.

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**8. Debtors: amounts falling due within one year**

	2021 £'000	2020 £'000
Trade debtors	299	1,564
Amounts owed by fellow group undertakings	51,310	53,171
Tax receivable	1	1,043
Other debtors	183	72
	<u>51,793</u>	<u>55,850</u>

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

**9. Debtors: amounts falling due after one year**

**Deferred tax asset**

	2021 £'000	2020 £'000
Accelerated capital allowances	<u>17</u>	<u>15</u>

**Analysis of movements in the year**

**Deferred tax asset**

	£'000
As at 31 January 2021	15
Deferred tax profit and loss	2
As at 31st December 2021	<u>17</u>

**10. Contract assets**

At 31st December 2021, the Company had contract assets of £1,630k (2020: £nil), which is net of an expected credit loss allowance of £nil (2020: £nil). Contract assets consist of work-in-progress.

**11. Creditors: amounts falling due within one year**

	2021 £'000	2020 £'000
Trade creditors	15	55
Amounts payable to fellow group undertakings	36,372	37,422
Corporation Tax	-	-
Other creditors	6,311	7,154
Accruals and deferred income	4,999	5,969
	<u>47,697</u>	<u>50,596</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 normally settles on average 30 day basis.

**12. Contract liabilities**

At 31st December 2021, the Company had contract liabilities of £nil (2020: £2,156k). Contract liabilities consists of billings-in-excess.

Revenue recognised in the year from amounts that were included in the contract liability at the beginning of the period equals £2,156k (2020: £nil) Revenue recognised in the year from performance obligations satisfied in previous years equals £nil (2020: £nil).

**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**13. Provision for liabilities**

	Warranty £'000
As at 1st January 2021	6,139
Created in the year	470
As at 31st December 2021	<u>6,609</u>

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

**14. Called up share capital**

Authorised, allotted, issued and fully paid share capital:

Class	Nominal value £	2021 Number:	2021 £	2020 Number:	2020 £
Ordinary	£1	50,000	50,000	50,000	50,000
Redeemable ordinary shares	£1	500,000	500,000	500,000	500,000
		<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>

The redeemable ordinary shares and the ordinary shares rank *pari passu* in all respects, apart from redemption. The Company has the right to redeem the amount paid up (including the premium) of the whole or part of the redeemable shares at any time when in issue.

**15. Retirement benefit obligations**

**The Skanska Pension Fund**

The Company, in its capacity as employing Company, participates in The Skanska Pension Fund, which includes a defined benefit section and a defined contribution section. This scheme is accounted for in a parent Company Skanska UK Plc, details of the pension scheme can be found in these accounts.

**16. Contingent liabilities**

The Company faces contingent liability 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.

**17. Joint operations**

The Company has entered into a number of Joint operations with different partners for the purposes of undertaking specific contracts. The principal Joint operations within the Company are as follows:

Name of Joint operation	Address	Joint operation partners	Control
Skanska Balfour Beatty M25 Joint Venture	1,2	Balfour Beatty Civil Engineering Limited	50%

The addresses of these Joint arrangements are as follows:

1 Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW  
2 5 Churchill, Place, Canary Wharf, London, E14 5HU.



**Skanska J.V. Projects Ltd (Registered number: 03686027)**

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

**18. Post balance sheet events**

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

**19. 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 Warfvinges väg 25, SE-112 74 Stockholm, Sweden.

Copies of the Skanska Construction UK Ltd. and Skanska AB financial statements can be obtained from Skanska UK Plc at Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire. WD3 9SW, United Kingdom.