Registered number: 05723458

PETERBOROUGH SCHOOLS PROJECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PETERBOROUGH SCHOOLS PROJECT LIMITED

COMPANY INFORMATION

Directors	G Farque J Foy G Newby M Patel
Company secretary	R Gwilliam
Registered number	05723458
Registered office	Becket House 1 Lambeth Palace Road London SE1 7EU
Independent auditor	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne NE1 4JD

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

PRINCIPAL ACTIVITY

The principal activities of the Company are that of building development and refurbishment and facilities management.

BUSINESS REVIEW

As reported in the Company's income statement, revenue has increased from £4,795,000 in 2021 to £6,243,000 in 2022. This is in line with the contracted expectations.

The profit after taxation was £nil *(2021: £nil)*. The Directors consider the result for the year to be satisfactory.

The statement of financial position shows that the net carrying value of the Company's net assets at the year-end was £nil *(2021: £nil)*.

The Company models the anticipated financial outcome of its projects across the full term of the projects and the Company monitors actual financial performance against this anticipated performance. As at 31 December 2022, the Company's performance against this measure was in line with expectations *(2021: in line with expectations)*.

The Directors do not propose a dividend *(2021: £nil)* in respect of the current year.

DIRECTORS

The Directors who served during the year were:

G Farque
J Foy
G Newby
M Patel

The Company has qualifying third party indemnity provisions for the benefit of Directors which were made during the year and remain in force at the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

External risks

The Company continually addresses the impact of the external business environment, updating as appropriate, its strategy and medium-term planning.

The Directors have carried out an assessment of the potential impact on the business of the Russian Forces entering Ukraine, including the impact of mitigation measures, sanctions and uncertainties and concluded that, there is not expected to be any direct impact on the Company. There are no Bouygues SA group companies registered within Russia or Ukraine and no business transactions with any companies registered within these regions. However, the Company anticipates that the economic sanctions imposed on Russia will have an overall impact on the world economy and therefore, indirectly on the activity of the Company, although it is not possible to quantify the impact.

The Directors have assessed the impact of Brexit and believe that, although uncertainty exists, there will be no material effect on the trade and operations of the Company. The Company's business, customer base and supply chain are primarily based in the United Kingdom.

Post-Brexit, the Company is continuing to monitor risks in relation to the business environment and financial impact.

Performance risk

Performance risk under the various project agreements and related contracts is closely monitored by the Directors.

FUTURE DEVELOPMENTS

The Company expects performance to remain consistent throughout the life of the project.

FINANCIAL INSTRUMENTS

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk and liquidity risk.

Credit risk

The Company's principal financial risk exposure is to a level of credit risk associated with its trade debtors, which the Directors consider to be normal.

The Company's credit risk arises principally on trade receivables, which arise on the contract with the Company's sole client, IIC By Education (Peterborough Schools) Limited. IIC By Education (Peterborough Schools) Limited has agreed a 30 year and 2 month project agreement with thePeterborough City Council. The Directors accordingly believe that the Company's credit risk is low as its exposure is, in effect, to a government organisation.

Liquidity risk

Liquidity risk is mitigated by the nature of liabilities, which are principally due to group undertakings.

GOING CONCERN

The financial statements have been prepared on a going concern basis.

The Directors have considered the plans for the Company and prepared cashflow forecasts for the period of twelve months following the date of signing the financial statements. In the unlikely scenario that there is a prolonged decrease in demand for services the Company has adequate resources to continue operations and the Directors conclude, therefore, that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

SMALL COMPANIES NOTE

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

This report was approved by the board on 9 November 2023 and signed on its behalf.

....
G Newby
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH SCHOOLS PROJECT LIMITED

Opinion

We have audited the financial statements of Peterborough Schools Project Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2024.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH SCHOOLS PROJECT LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH SCHOOLS PROJECT LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are:
    - Companies Act 2006 and FRS101
    - Tax legislation (governed by HM Revenue & Customs) and including furlough legislation
    - Health and Safety legislation
- We understood how Peterborough Schools Project Limited is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity level control environment. We made enquiries of the Company's legal counsel and senior management of known instances of non-compliance or suspected non-compliance with laws and regulations, including any matters raised in whistleblowing. We also considered the oversight procedures of the Company's parent entity at a UK level through the "Executive Board".
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management. We obtained details of incidents and allegations of fraud raised internally and investigated by the Company's ethics and compliance team. We planned our audit to identify risks of management override or bias by agreeing journal entries in the areas involving significant estimation and judgement, recognition of revenue and profits on contracts, to supporting documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board meetings and other committee minutes, including the Risk Management Committee, and incident registers to identify any non-compliance with laws and regulations. Our procedures also involved journal entry testing and data analytics, as set out above. Our testing also included consideration of compliance of employees with policies and codes of conduct at a contract level, for a sample of contracts, based on their size and complexity.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP

Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
18 December 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*2021* *£000*
Turnover	4	**6,243**	*4,795*
Operating costs		**(6,269)**	*(4,795)*
Gross loss		**(26)**	-
Interest receivable and similar income	6	**26**	-
Profit before tax		-	-
Tax on profit		-	-
Profit for the financial year		-	-

The notes on pages 12 to 22 form part of these financial statements.

PETERBOROUGH SCHOOLS PROJECT LIMITED
REGISTERED NUMBER: 05723458

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
Current assets			
Debtors: amounts falling due within one year	8	**1,049**	*287*
Cash at bank and in hand		**4,028**	*2,920*
		5,077	*3,207*
Creditors: amounts falling due within one year	9	**(5,077)**	*(3,207)*
Net assets		**-**	*-*
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		-	-
Total equity		**-**	*-*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2023.

G Newby
Director

The notes on pages 12 to 22 form part of these financial statements.

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

	Called up share capital £000	Total equity £000
At 1 January 2021	-	-
Profit for the year	-	-
At 31 December 2021	-	-
Profit for the year	-	-
At 31 December 2022	-	-

The notes on pages 12 to 22 form part of these financial statements.

1. GENERAL INFORMATION

The financial statements of Peterborough Schools Project Limited for the period ended 31 December 2022 were authorised for issue by the Board of Directors on 9 November 2023 and the statement of financial position was signed on the Board's behalf by G Newby.

The Company is a private limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is Beckett House, 1 Lambeth Palace Road, London, SE1 7EU.

The Company's immediate parent company is Bouygues E&S Solutions Limited, a company incorporated in the England and Wales. The ultimate parent company is Bouygues SA, a company incorporated in France.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis.

The Directors have considered the plans for the Company and prepared cashflow forecasts for the period of twelve months following the date of signing the financial statements. In the unlikely scenario that there is a prolonged decrease in demand for services the Company has adequate resources to continue operations and the Directors conclude, therefore, that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

2.4 IMPACT OF NEW INTERNATIONAL REPORTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2022

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	UK expected effective date - periods beginning on or after
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: (Amendment): Onerous Contracts - Costs of Fulfilling a Contract	1 January 2022
IFRS 3 *Business Combinations* (Amendment): Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018 - 2020 cycle)	1 January 2022

Standards, amendments and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

	UK expected effective date - periods beginning on or after
IAS 1 *Presentation of Financial Statements* (Amendment): Classification of Liabilities a Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date	1 January 2023
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment): Definition of Accounting Estimates	1 January 2023
IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments* (Amendment): Disclosure of Accounting Policies	1 January 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 IMPACT OF NEW INTERNATIONAL REPORTING STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

New accounting standards and interpretations

The Company applied the same standards, interpretations and accounting policies in 2022 as applied in its financial statements for the year ended 31 December 2021, except for changes required to meet new IFRS requirements applicable from 1 January 2022.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

For all contracts with customers the Company recognises revenue when performance obligations have been satisfied. For most of the Company's facilities management contracts revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.

IFRS 15 provides a five step-model, which the Company has applied to all sales contracts with customers to identify the revenue which can be recognised. The model is applied at contract inception and on the assumption that the contract will operate as defined in the contract and that the contract will not be cancelled, renewed or modified. After contract inception a change in the scope or price (or both) of a contract that is approved by the parties to the contract is a contract modification.

Step 1 - Identify the contract with the customer

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

Sometimes the Company's contracts are revised for changes to customer requirements. A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract and exists when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. A contract modification can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. Judgment is applied in relation to the accounting for contract modifications where the final terms or legal contracts have not been agreed prior to the period end as management needs to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 REVENUE (continued)

Step 2 - Identify the performance obligations in the contract

At contract inception the Company assesses the goods or services promised in a contract with a customer. It identifies the performance obligations and contractual promises to transfer distinct goods or services to a customer. For facilities management contracts with several components, judgment is necessary to determine the performance obligations by considering whether those promised goods or services are:

a) a good or service (or bundle of goods or services) that is distinct; or
b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

For core services provided under most facilities management contracts entered into by the Company, management has applied the principles of IFRS 15 and concluded that the promises are not distinct within the context of the contract and as such there is one performance obligation.

Step 3 - Determine the transaction price

The transaction price is defined as the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer.

The Company estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

When determining the transaction price, the Company assumes that the goods or services will be transferred to the customer based on the terms of the existing contract and does not take into consideration the possibility of a contract being cancelled, renewed or modified.

Variable payments include discounts, rebates, refunds, bonuses, performance bonuses or charges for the occurrence (or lack of occurrence) of a future event and are recognised as revenue (adjusted upwards or downwards) only when it is highly probable that a significant reversal in the revenue recognised will not occur when the associated uncertainty is subsequently resolved. The Company considers highly probable to mean being able to evidence with 80-90% certainty.

Step 4 - Allocate the transaction price to the performance obligations in the contract

The Company allocates the total transaction price to each of the identified performance obligations based on their relative stand-alone selling prices. The Company typically applies an observable price or a cost-plus margin approach.

Step 5 - Recognise revenue when the entity satisfies a performance obligation

For each performance obligation, the Company recognises revenue when (or as) the performance obligation is satisfied. For each performance obligation identified, the Company determines at the contract inception whether it satisfies the performance obligation and recognises revenue over time or at a point in time. For core services provided under most facilities management contracts revenue is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Company.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 REVENUE (continued)

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to reflect an entity's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of an entity's performance obligation). The nature of the good or service that the entity promised to transfer to the customer determines the appropriate method for measuring progress. The Company uses input methods and output methods.

Under the input method the Company recognises revenue based on its efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended or costs incurred) relative to the total expected inputs to the satisfaction of that performance obligation. If the entity's efforts or inputs are expended evenly throughout the performance period, it may be appropriate for the entity to recognise revenue on a straight-line basis.

The Company applies output methods to specific long-term contracts. These include methods such as surveys of performance completed to date, appraisals of results achieved or milestones reached.

However, if the contract is in its early stages and it is not possible to reasonably measure progress, but the Company expects to recover the costs incurred during this phase, revenue is recognised to the extent of the costs incurred until such a time that it can measure the progress made.

If a performance obligation is not satisfied over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be when the Company has the right to payment of the asset, at the point the Company has transferred physical possession of the asset, or the customer has accepted the asset. Management applies judgment to determine when a customer obtains control of a promised asset and the Company has satisfied a performance obligation.

Costs to obtain a contract

The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Costs to fulfil a contract

Costs incurred to ensure that a contract is appropriately mobilised and transformed to enable the delivery of full services under the contract target operating model, are contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the statement of financial position:

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 REVENUE (continued)

Amortisation and impairment of contract assets

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

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

2.7 INTEREST INCOME

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

2.8 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.9 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 CREDITORS

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.13 FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

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

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.13 FINANCIAL INSTRUMENTS (continued)

Financial liabilities

At amortised cost

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

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 period, or in the period of the revision and future periods if the revision affects both current and future periods. During the year, the critical judgements made by the Directors in applying the Company's accounting policies and the key areas of estimation uncertainty have related to revenue recognition.

Critical judgements:
Revenue recognition
The value of certain of the Company's contracts for the ongoing supply of services can be dependent upon the amount of costs incurred in performing these services and, in order to apply the Company's policy for the recognition of revenue from such contracts that are partially complete at the statement of financial position date, the Directors must assess both the proportion of the contract that has been completed and the total contract value that this represents.

4. TURNOVER

All turnover arose within the United Kingdom from the Company's principal activity, which is facilities management.

5. OPERATING (LOSS)/PROFIT

Fees payable to the Company's auditor for the audit of the Company's annual accounts were £4,631 *(2021: £4,410)*.

The Company had no employees during the year *(2021: nil)*. The Directors received no remuneration for their services for the year *(2021: nil)*.

6. INTEREST RECEIVABLE

	2022 £000	*2021 £000*
Other interest receivable	**26**	*-*

7. TAXATION

For the years ended 31 December 2022 and 31 December 2021, the Company did not make a profit or loss chargeable to corporation tax, hence no charge or credit arose.

8. DEBTORS

	2022 £000	*2021 £000*
Trade debtors	**491**	*194*
Amounts owed by group undertakings	**174**	*-*
Amounts recoverable on long-term contracts	**384**	*93*
	1,049	*287*

9. CREDITORS: Amounts falling due within one year

	2022 £000	*2021 £000*
Amounts owed to group undertakings	**828**	*232*
Other taxation and social security	**398**	*183*
Contract liabilities	**3,851**	*2,792*
	5,077	*3,207*

10. SHARE CAPITAL

	2022 £000	*2021 £000*
Authorised, allotted, called up and fully paid		
100 *(2021: 100)* Ordinary shares shares of £1.00 each	**-**	*-*

The Company has one class of ordinary shares which carry no right to fixed income.

11. CONTROLLING PARTY

The immediate parent undertaking is Bouygues E&S Solutions Limited, a company incorporated in England and Wales, which owns 99% of the Company's shares. The financial statements of the immediate parent undertaking may be obtained from the Company Secretary, Bouygues E&S Solutions Limited at Becket House, 1 Lambeth Palace Road, London, SE1 7EU.

The ultimate parent company and ultimate controlling party is Bouygues SA, a company incorporated in France.

The smallest group into which the results are consolidated is the group headed by Bouygues Construction SA and the largest group into which the results are consolidated is the group headed by Bouygues SA. The accounts of Bouygues SA are available to the public and may be obtained from 2 Avenue Hoche, 75008 Paris, France.