

REGISTERED NUMBER: 06009021 (England and Wales)

Directors' Report and Financial Statements

For the year ended 31st December 2018

For

Skanska Project Developments Limited

TUESDAY



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Skanska Project Developments Limited (Registered number: 06009021)

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For the year ended 31st December 2018**

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Skanska Project Developments Limited (Registered number: 06009021)

**Company information
For the year ended 31st December 2018**

Directors:	C K K Gangotra H K Martin M G Neeson
Secretary:	S Leven
Registered office:	Maple Cross House Denham Way, Maple Cross Rickmansworth Hertfordshire WD3 9SW
Registered number:	06009021 (England and Wales)
Auditors:	Ernst & Young LLP 1 More London Place London SE1 2AF

Skanska Project Developments Limited (Registered number: 06009021)

Directors' Report
For the year ended 31st December 2018

The directors present their report with the financial statements of the company for the year ended 31st December 2018.

Principal activity and future developments

The company's principal activity is to act as a holding company for companies engaged in property development and allied activities. The directors do not foresee any change in the business activities in the foreseeable future.

Review of business

The company made an operating loss of £1,592,000 (2017: operating profit of £22,895,000).

Dividends

Dividends of £18,800,000 were declared in respect of the year ended 31st December 2018 (2017: £ nil).

Market and outlook

Whilst the market conditions remain challenging the Board considers that there is scope for development of the company's activities.

Principal risks and uncertainties

The Company's principal risks and uncertainties are related to the developments undertaken by its subsidiaries.

Directors

The directors who have held office during the year under review and up to the date of this report are as follows:

C K K Gangotra
H K Martin

Other changes in directors holding office are as follows:

M G Neeson – appointed 31st March 2018
C P Treleaven – resigned 31st March 2018

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 2018.

Going Concern

The company is dependent for its working capital on funds provided to it by Skanska UK Plc, the immediate parent undertaking. Skanska UK Plc has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of any amounts made available (as of 31 December 2018, the company owed Skanska UK plc £16,839,000). This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The company participates in the Group's centralised treasury operations and so shares banking arrangements with its parent and fellow subsidiaries. The Directors, having assessed the responses of the directors of the company's immediate parent, Skanska UK Plc, to their enquiries have no reason to doubt the ability of Skanska UK Plc to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Skanska UK Plc the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the company's financial statements.

Strategic report

The company has taken the exemption under S414B of the Companies Act 2006 from the requirement to prepare a strategic report for the financial year.

Skanska Project Developments Limited (Registered number: 06009021)

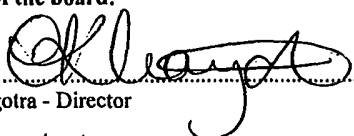
Directors' Report (continued)
For the year ended 31st December 2018

Statement as to disclosure of information to the 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 / she is obliged to take as a director in order to make himself / herself aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:


.....
C K K Gangotra - Director

Date: 17/7/2019
.....

Skanska Project Developments Limited (Registered number: 06009021)

**Statement of Directors' Responsibilities
For the year ended 31st December 2018**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those 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.

Independent Auditor's Report to the Members of Skanska Project Developments Limited

Opinion

We have audited the financial statements of Skanska Project Developments Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, 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 2018 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 below. 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

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

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

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.

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.

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

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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Independent Auditor's Report to the Members of Skanska Project Developments Limited (continued)

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 4, 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.

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

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

Date: 17 July 2019

Skanska Project Developments Limited (Registered number: 06009021)

**Statement of Comprehensive Income
For the year ended 31st December 2018**

	Notes	2018 £'000	2017 £'000
Revenue		--	179
Gross result/profit		<u>--</u>	<u>179</u>
Administrative expenses		(1,592)	(2,938)
Profit on disposal of subsidiary undertaking	4	--	25,654
Operating (loss)/profit		<u>(1,592)</u>	<u>22,895</u>
Investment income		4,400	--
Interest payable and similar expenses	5	(128)	(293)
Profit before taxation	6	<u>2,680</u>	<u>22,602</u>
Tax on profit	7	293	640
Profit for the financial year		<u>2,973</u>	<u>23,242</u>
Other comprehensive income		<u>--</u>	<u>--</u>
Total comprehensive income for the year		<u><u>2,973</u></u>	<u><u>23,242</u></u>

The notes on pages 10 to 15 form part of these financial statements

Skanska Project Developments Limited (Registered number: 06009021)


**Statement of Financial Position
As at 31st December 2018**

	Notes	2018 £'000	2017 £'000
Fixed assets			
Investments	8	<u>5,117</u>	<u>5,117</u>
		5,117	5,117
Current assets			
Debtors: amounts falling due within one year	9	14,443	109,967
Cash at bank		<u>2,526</u>	<u>--</u>
		16,969	109,967
Creditors			
Creditors: amounts falling due within one year	10	(17,815)	(94,986)
		<u>(846)</u>	<u>14,981</u>
Net current (liabilities)/assets			
		4,271	20,098
Total assets less current liabilities			
		<u>4,271</u>	<u>20,098</u>
Net assets			
		<u>4,271</u>	<u>20,098</u>
Capital and reserves			
Called up share capital	12	--	--
Retained earnings		4,271	20,098
		<u>4,271</u>	<u>20,098</u>
Shareholder's funds			
		<u>4,271</u>	<u>20,098</u>

The notes on pages 10 to 15 form part of these financial statements

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board of directors on 17/7/2019 and were signed on its behalf by:


C K K Gangotra - Director

Skanska Project Developments Limited (Registered number: 06009021)

**Statement of Changes in Equity
For the year ended 31st December 2018**

	Called up share capital	Retained Earnings	Total Equity
	£'000	£'000	£'000
Balance at 1st January 2017	--	(3,144)	(3,144)
Changes in equity			
Profit for the year	--	23,242	23,242
Other comprehensive income for the year	--	--	--
Balance at 31st December 2017	--	20,098	20,098
Changes in equity			
Profit for the year	--	2,973	2,973
Other comprehensive income for the year	--	--	--
Total comprehensive income for the year	--	2,973	2,973
Dividends declared	--	(18,800)	(18,800)
Balance at 31st December 2018	--	4,271	4,271

The notes on pages 10 to 15 form part of these financial statements

**Notes to the Financial Statements
For the year ended 31st December 2018**

1. Statutory information

Skanska Project Developments Limited is a private company, limited by shares incorporated, 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 (£).

All values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" in accordance with applicable accounting standards and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements contain information about the company as an individual undertaking and not consolidated financial statement information as the parent of a group. The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to produce group financial statements as the results of the company and its subsidiary undertakings are included in consolidated accounts prepared by Skanska UK plc, a company incorporated in the United Kingdom. The consolidated financial statements of Skanska UK plc are available from the parent company's registered office at Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW.

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 IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

New and amended standards and interpretations

Two new standards, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, apply from 1 January 2018. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 and related interpretations and it applies, with limited exceptions, such as revenue earned from leases, to all revenue arising from contracts with customers. IFRS 15 has been implemented retrospectively and has not resulted in any adjustments.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 has been implemented retrospectively and has not resulted in any adjustments.

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 invoiced value, reduced by appropriate allowances for estimated irrecoverable amounts. Overdrafts are stated at their amortised cost using the effective interest rate method. 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 invoiced value.

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.

Investments

Investments in subsidiary undertakings are held at historical cost less any applicable provision for impairment.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements (continued)
For the year ended 31st December 2018

2. Accounting policies (continued)

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.

3. Employees and directors

	2018	2017
	£'000	£'000
Wages and salaries	795	863
Social security costs	114	111
Other pension costs	174	168
	<u>1,083</u>	<u>1,142</u>

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

	2018	2017
Administration	<u>9</u>	<u>9</u>

	2018	2017
	£'000	£'000
Remuneration in respect of qualifying services	164	188
Amount receivables under long term incentive plans	2	17
Amounts receivable as contributions to money purchase pension schemes	25	12
	<u>191</u>	<u>217</u>

Number of directors accruing benefits under defined contribution schemes	<u>1</u>	<u>1</u>
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Notes to the Financial Statements (continued)
For the year ended 31st December 2018

4. Profit on disposal of subsidiary undertaking

	2018	2017
	£'000	£'000
Profit on sale	<u>--</u>	<u>25,654</u>

On 21st December 2017, the company sold its investment in the entire issued share capital of SPDL (Monument) Limited to a third party, Monument Building (Luxembourg) Holdings S.A.R.L.

5. Interest payable and similar expenses

	2018	2017
	£'000	£'000
Bank interest	<u>128</u>	<u>293</u>

6. Profit before taxation

The profit before taxation is stated after charging:

	2018	2017
	£'000	£'000
Auditors' remuneration	<u>6</u>	<u>4</u>

7. Taxation

Analysis of taxation

	2018	2017
	£'000	£'000
Current tax:		
UK Corporation tax current period	(327)	(631)
Adjustments in respect of prior years	<u>34</u>	<u>(9)</u>
Total tax credit in statement of comprehensive income	<u>(293)</u>	<u>(640)</u>

Skanska Project Developments Limited (Registered number: 06009021)

**Notes to the Financial Statements (continued)
For the year ended 31st December 2018**

7. Taxation (continued)

Factors affecting the total tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £'000	2017 £'000
Profit before income tax	<u>2,680</u>	<u>22,602</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	509	4,351
Effects of:		
Adjustment in respect of prior years	34	(9)
Transfer pricing adjustment	--	(13)
Income not taxable	<u>(836)</u>	<u>(4,969)</u>
Tax credit	<u>(293)</u>	<u>(640)</u>

Changes in corporation tax rate

The UK corporation tax rate reduced from 20% to 19% from April 2017. The rate will reduce to 17% from April 2020. The rate changes will impact the amount of future tax payments to be made by the company. As at the balance sheet date, the future tax rate reduction to 17% from April 2020 had been enacted and the impact of this reduction has been reflected in the financial statements as at 31 December 2018.

8. Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1st January 2018	5,117
Additions	<u>--</u>
At 31st December 2018	<u>5,117</u>
Net Book value	
At 31st December 2018	<u>5,117</u>
At 31st December 2017	<u>5,117</u>

On 21st December 2017 the company sold its £1 investment in the entire issued share capital of SPDL (Monument) Limited (see note 4 for details).

Dividends of £4,400,000 were received from a subsidiary undertaking in the year.

Skanska Project Developments Limited (Registered number: 06009021)

**Notes to the Financial Statements (continued)
For the year ended 31st December 2018**

8. Investments (continued)

The company's investments at the Statement of Financial Position date in the share capital of subsidiary companies are as follows:

SPD Bentley Limited
66 Queen Square Limited
SPD Moorgate Limited
SPD Moorgate 2 Limited
SPD Templegate Limited
SPD Temple Circus Limited
SPD Engine Shed 2 Limited

The subsidiary undertakings all have property investment/development as their principal activity.

All companies' country of registration is England and Wales.

All subsidiaries are 100% directly owned, except for SPD Engine Shed 2 Limited and SPD Moorgate 2 Limited. SPD Engine Shed 2 Limited is a 100% subsidiary of SPD Temple Circus Limited. SPD Moorgate 2 Limited was incorporated on 11th May 2018 and is a 100% subsidiary of SPD Moorgate Limited.

9. Debtors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade debtors	--	93,473
Other debtors	9	--
Amounts due from group undertakings	14,141	15,854
Current tax debtor	293	640
	<u>14,443</u>	<u>109,967</u>

10. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	4	1
Amounts owed to group undertakings	17,692	5,117
Bank overdraft (see note 11)	--	21,873
Accruals and deferred income	102	1,479
Other creditors	17	66,516
	<u>17,815</u>	<u>94,986</u>

11. Financial liabilities - borrowings

	2018	2017
	£'000	£'000
Current:		
Bank overdraft	<u>--</u>	<u>21,873</u>

Terms and debt repayment schedule

	1 year or less
	£'000
Bank overdraft	<u>--</u>

Skanska Project Developments Limited (Registered number: 06009021)

**Notes to the Financial Statements (continued)
For the year ended 31st December 2018**

12. Called up share capital

Authorise, allotted issues and fully paid

Number	Class	Nominal value	2018	2017
1	Ordinary	£1.00	<u>1</u>	<u>1</u>

13. Ultimate parent company

Skanska UK Plc the company's immediate parent company 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.

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

14. Dividends

On 21st February 2018, the company declared a dividend of £18,800,000 (£18,800,000 per share) to its immediate parent undertaking, Skanska UK Plc.