

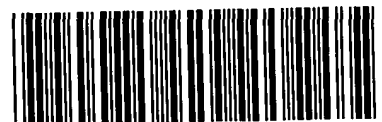
Registered No: **6569580**

# **BY Development Limited**

Annual Report and Financial Statements

31 December 2014

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## **Directors' Report**

**Registered Number: 6569580**

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### **Going concern**

The company's business activities, together with the factors likely to affect its future development and financial position, are set out in the Strategic Report. After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly the financial statements are prepared on a going concern basis.

### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2014 (2013: £nil).

### **Directors**

The directors who held office during the year and to date of this report were as follows

P Abson	
L Christolomme	
N Guerin	
S Hyde	(Resigned 26 August 2014)
P Jouy	
M Sow	
C Tatton	(Appointed 26 August 2014)

The Company Secretary is B Clayton.

### **Directors' liabilities**

The Articles of Association of the company provide that in certain circumstances the directors are entitled to be indemnified out of the assets of the company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of section 234 of the Companies Act 2006. Indemnity arrangements of this nature have been in place during the year, and continue as at the date of approving the Directors' Report, but have not been utilised by the directors.

### **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report, the Strategic 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 they 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 the period.

## Directors' Report *(continued)*

In preparing those financial statements, the directors are required to:

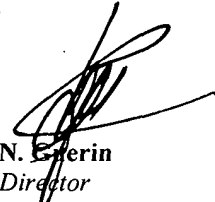
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
-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

### Disclosure of information to auditors

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. Each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



N. Gerin  
Director

Elizabeth House  
39 York Road  
London  
SE1 7NQ

19 June 2015

## Strategic Report

### Principal activities

The company's core activity is property development. The company has previously completed a number of mixed use developments and work is currently ongoing on a number of major development projects.

### Business review and future prospects

The profit after taxation for the year was £572,000 (2013: £3,000). This includes profit on disposal of investments and is in line with expectations of financial performance. The financial position as at 31 December 2014 is shown in the company's balance sheet on page 7. The directors anticipate that the company will continue to pursue its current activities in the future.

### Principal risks and uncertainties

The company is exposed to a range of risks particular to the property development and construction industries. The company's risk management approach used to identify risks and manage these is in accordance with the procedures established by its parent company Bouygues Construction SA. Assessments are carried out on each project to ensure significant risks are identified and managed appropriately. Building development activities are subcontracted with significant risks being passed down to the subcontractors involved.

### Analysis of financial performance and position

The company has made progress on property development projects in line with expectations. The increase in turnover from £83m to £107m reflects the company's growth in activity. The company's management regards the level of turnover, profit before tax and trade debtors as key indicators of the company's performance. These are monitored on a regular basis to assess whether the company is achieving the targets set. These KPIs are presented within the financial statements and are considered to be satisfactory and in line with expectations.

By order of the Board



N. Guerin  
Director

Elizabeth House  
39 York Road  
London  
SE1 7NQ

19 June 2015

## **Independent auditor's report to the members of BY Development Limited**

We have audited the financial statements of BY Development Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of BY Development Limited (*continued*)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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;

*Ernst & Young LLP*

*David Marshall (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton*

*Date: 25/6/2015*

**Profit and loss account**  
*For the year ended 31 December 2014*

	<i>Note</i>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Turnover</b>	<b>2</b>	<b>107,080</b>	<b>82,844</b>
<b>Cost of sales</b>		<b>(104,372)</b>	<b>(80,546)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,708</b>	<b>2,298</b>
Administrative expenses		(36)	(7)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>2,672</b>	<b>2,291</b>
Profit on disposal of investments	9	712	-
Other interest receivable and similar income	6	301	201
Interest payable and similar charges	7	(2,957)	(2,488)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>728</b>	<b>4</b>
Tax on profit on ordinary activities	8	(156)	(1)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>572</b>	<b>3</b>
		<hr/>	<hr/>

The results in the profit and loss account relate to continuing operations.

The company has no recognised gains or losses other than the result shown above; therefore no separate statement of total recognised gains and losses has been presented.

Notes 1 - 18 form part of the financial statements.

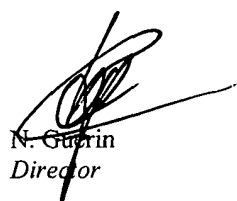


**Balance sheet**  
*at 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	9	1,600	1,463
		<u>1,600</u>	<u>1,463</u>
<b>Current assets</b>			
Debtors	10	46,043	23,867
Cash at bank and in hand		1,356	5,024
		<u>47,399</u>	<u>28,891</u>
<b>Creditors: amounts falling due within one year</b>	11	(46,923)	(28,889)
<b>Net current assets</b>		<u>476</u>	<u>2</u>
<b>Total assets less current liabilities</b>		<u>2,076</u>	<u>1,465</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(1,494)	(1,455)
<b>Net assets</b>		<u>582</u>	<u>10</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	582	10
<b>Shareholders' funds</b>		<u>582</u>	<u>10</u>

Notes 1 - 18 form part of the financial statements.

These financial statements were approved by the Board of directors on 19 June 2015 and were signed on its behalf by:

  
N. Guerin  
Director

**Reconciliation of movements in shareholders' funds**  
*For the year ended 31 December 2014*

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Profit for the financial year</b>	<b>572</b>	<b>3</b>
<b>Total movements during the year</b>	<b>572</b>	<b>3</b>
Shareholders' funds at 1 January	10	7
<b>Shareholders' funds at 31 December</b>	<b>582</b>	<b>10</b>

## Notes to the financial statements

### 1 Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, and under the historical cost convention.

Under Financial Reporting Standard ("FRS") 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The Company is included in the consolidated accounts of a parent undertaking, drawn up to the same date, established under the law of a member state in the European Union.

#### *Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT. Revenue is recognised as follows:

##### *(a) Construction contracts*

Revenue related to construction contracts is accounted for using the percentage of completion method. Revenue is recognised based on the stage of completion of contract activity. This is calculated by multiplying the latest estimate of the contract's total value by the percentage of completion. The percentage of completion of a contract is determined by reference to the physical work that has been completed on the measurement date. Provision is made for any contracts expected to give rise to a loss as soon as the loss is foreseen.

##### *(b) Rendering of services*

Revenue is recognised as the service has been provided and the company's right to receive payment is established.

##### *(c) Interest income*

Revenue is recognised as interest accrues using the effective interest method.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

## Notes to the financial statements *(continued)*

### 2 Analysis of turnover

	2014 Turnover £000	2013 Turnover £000
<i>By activity</i>		
Construction services	107,080	82,844
	<u>107,080</u>	<u>82,844</u>
<i>By geographical market</i>		
United Kingdom	107,080	82,844
	<u>107,080</u>	<u>82,844</u>

### 3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit of these financial statements	11	6
	<u>11</u>	<u>6</u>

### 4 Remuneration of directors

No remuneration is payable or receivable by the Directors in respect of qualifying services provided to the company.

### 5 Staff numbers and costs

The company had no employees during the year under review (2013: nil).

### 6 Other interest receivable and similar income

	2014 £000	2013 £000
Bank account interest	6	13
Interest receivable on loans	153	187
Other interest receivable	142	1
	<u>301</u>	<u>201</u>

## Notes to the financial statements (continued)

### 7 Interest payable and similar charges

	2014 £000	2013 £000
Interest payable	2,957	2,488
	<u>2,957</u>	<u>2,488</u>

### 8 Taxation

#### Analysis of charge in year

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Amount due in relation to group relief	156	1
Current tax on income for the year	<u>156</u>	<u>1</u>
Tax on profit on ordinary activities	<u>156</u>	<u>1</u>

The current tax assessed for the year agrees to the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%).

#### Factors that may affect future tax charges

The company's tax charge may benefit from group relief receivable from other group entities in the UK. This will depend on the availability of losses and the tax position of these other entities.

### 9 Investments

	Equity investments £000	Loan stock £000	Total £000
At 1 January 2014	10	1,453	1,463
Additions in the year	867	-	867
Disposals in the year	(1)	(729)	(730)
	<u>876</u>	<u>724</u>	<u>1,600</u>
<b>At 31 December 2014</b>	<b>876</b>	<b>724</b>	<b>1,600</b>

During the year the company sold equity and loan stock investments for a total cash consideration of £1,450,000. This resulted in a profit on disposal, after transaction costs, of £712,000.

## Notes to the financial statements *(continued)*

### 10 Debtors

	2014 £000	2013 £000
Prepayments	464	272
Prepayments – group undertakings	465	7,553
Amounts owed by group undertakings	5,420	15,100
Trade debtors	3,671	154
Other debtors	12	12
Accrued income	33,758	50
Accrued income – retentions	639	430
Other taxation and social security	1,614	296
	<u>46,043</u>	<u>23,867</u>

### 11 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	27	82
Trade creditors - group undertakings	2,280	204
Accruals and deferred income	19,392	14,967
Accruals and deferred income – group undertakings	25,050	13,623
Other amounts due to group undertakings	174	13
	<u>46,923</u>	<u>28,889</u>

### 12 Creditors: amounts falling due after more than one year

	2014 £000	2013 £000
Accruals and deferred income – group undertakings	777	-
Other amounts due to group undertakings (loan balance)	717	1,455
	<u>1,494</u>	<u>1,455</u>

### 13 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

## Notes to the financial statements *(continued)*

### 14 Profit and loss account

	2014 £000	2013 £000
At beginning of year	10	7
Profit for the financial year	572	3
	<hr/>	<hr/>
At end of year	582	10
	<hr/>	<hr/>

### 15 Post balance sheet events

There were no significant events between the balance sheet date, 31 December 2014, and the date the financial statements were approved by the board of directors.

### 16 Contingent liabilities and contingent assets

The company has no contingent liabilities or assets at 31 December 2014 (2013: *£nil*).

### 17 Commitments

There were no contracted capital commitments at 31 December 2014 (2013: *£nil*).

### 18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Bouygues SA which is the ultimate parent company and controlling party, incorporated in France.

The largest group in which the results of the company are consolidated is that headed by Bouygues SA. The consolidated financial statements of the group are available to the public and may be obtained from 32 Avenue Hoche, 75008, Paris, France.

The smallest group in which the results of the company are consolidated is that headed by Bouygues Construction SA. The consolidated financial statements of the group are available to the public and may be obtained from 1 avenue Eugene Freyssinet, 78061 Saint Quentin-en-Yvelines, Cedex, France.