Registered No. 08525683

HALLMARK – BY DEVELOPMENT LIMITED

Report and Financial Statements

31 December 2020

Contents

Directors' report

The directors present their report for the year ended 31 December 2020.

Directors of the Company

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

- A Boutrolle
- R Bradley (Appointed on 31 August 2020)
- N Guerin (Resigned on 27August 2020)

Dividends

No dividends have been paid or proposed during the year *(2019: £nil)*.

Future developments

The Company intends to continue its current activities as a property developer in the future.

Financial instruments

The Company finances its activities with a combination of cash, intercompany loans where required and short term deposits. Other financial assets and liabilities such as trade debtors and trade creditors arise directly from the Company's operating activities.

Financial instruments give rise to credit and liquidity risk. Information on how risks arise and their management is set out in the Strategic Report.

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 provisions of this nature have been in place during the year and remain in place as at the date of this report but have not been utilised by the directors.

Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are set out in the Strategic Report.

In preparing the financial statements on the going concern basis, the directors note that the Company has access to the financial resources of its intermediate parent undertaking, Bouygues (U.K.) Limited ('Bouygues UK'). Bouygues UK has confirmed its ongoing financial support in writing for a period of at least twelve months from the date of approval of the financial statements.

The parent undertaking has carried out its own assessment of going concern covering the period to 30 June 2022 considering the impact the Covid-19 pandemic may have. Downside sensitivities have been applied to the Bouygues UK cashflow forecasts and, even in the unlikely scenario that there is a prolonged decrease in demand for construction services and that the major contracts that Bouygues UK is targeting do not proceed, Bouygues UK still has adequate resources to continue operations for the foreseeable future.

Based on the confirmation of support received from Bouygues UK, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in the preparation of the financial statements.

Directors' report *(continued)*

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with UK laws 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 for that period.

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; and
- 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 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.

Directors' statement as to 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

A Boutrolle
Director

Becket House
1 Lambeth Palace Road
London SE1 7EU

29 June 2021

Strategic report

Business review

The Company's core business during 2020 was property development.

The profit for the year was £132k *(2019: £24k)*. The financial position as at 31 December 2020 is shown in the Company's statement of financial position on page 10.

Turnover for the year was £nil *(2019: £nil)*. The loss before tax was £8k *(2019: £27k)*. The reduction in loss compared to the prior year is due to a reduction in the level of interest payable following completion of the main works on site.

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.

Before engaging in new contracts, the Company undertakes credit score or similar reviews via reputable credit check agencies. Once contracts have been signed, the Company continues to monitor debtors on an ongoing basis.

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

On 30 January 2020, the Company and its parent company Bouygues Construction were the target of a ransomware attack caused by malware. The Company and its parent company initially shut down their IT systems as a precaution to prevent the virus from spreading, and specific measures were taken to ensure business continuity. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with help from experts both within and outside the Bouygues Group. There was a very low impact on the operational and commercial activity of the business. The relevant insurance policies were activated and the attack has been referred to the appropriate regulatory authorities.

Key performance indicators

The Company's management regard the level of revenue and profit before tax as the key indicators of the Company's financial performance. These are monitored on a regular basis to assess whether the Company is achieving the targets set. These financial indicators are presented within the financial statements.

By order of the board

A Boutrolle
Director

Becket House
1 Lambeth Palace Road
London SE1 7EU

29 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALLMARK – BY DEVELOPMENT LIMITED

Opinion

We have audited the financial statements of Hallmark-BY Development Limited for the year ended 31 December 2020 which comprise the Statement of Profit and Loss, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15, 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 Financial Reporting Standard 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 June 2022.

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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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 those relating to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management, those charged with governance and other key personnel responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, review of legal and other documentation and board minutes to identify non-compliance with such laws and regulations, and enquiries of management.

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.

Adrian Mulea (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
1 July 2021

Statement of profit and loss
for the year ended 31 December 2020

	Note	**2020 £000**	2019 £000
Revenue	*3*	**-**	-
Cost of sales		**-**	230
Gross profit		**-**	230
Administrative expenses		**(10)**	(3)
Operating (loss)/profit	*4*	**(10)**	227
Interest receivable and similar income	*7*	**2**	3
Interest payable and similar charges	*8*	**-**	(257)
Loss before tax		**(8)**	(27)
Income tax credit	*9*	**140**	51
Profit for the year	*14*	**132**	24

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

The notes on pages 11 to 19 form part of these Financial Statements.

Statement of comprehensive income
for the year ended 31 December 2020

	Note	**2020 £000**	2019 £000
Profit for the year	*14*	**132**	24
Total comprehensive income for the year		**132**	24

The notes on pages 11 to 19 form part of these Financial Statements.

Statement of changes in equity
for the year ended 31 December 2020

	Called up share capital £000	*Retained earnings £000*	*Total Equity £000*
At 1 January 2019	4	-	4
Profit for the year	-	24	24
Total comprehensive income for the year	-	24	24
At 31 December 2019	4	24	28
Profit for the year	-	**132**	**132**
Total comprehensive income for the year	-	132	132
At 31 December 2020	**4**	**156**	**160**

No dividends were paid during the year *(2019: £nil)*.

The notes on pages 11 to 19 form part of these Financial Statements.

Statement of financial position

at 31 December 2020

	Note	**2020** **£000**	2019 £000
Current assets			
Debtors	*10*	**735**	601
Cash and cash equivalents	*11*	**294**	765
		1,029	1,366
Current liabilities			
Creditors	*12*	**(869)**	(1,338)
Net current assets		**160**	28
Total assets less current liabilities		**160**	28
Net assets		**160**	28
Capital and reserves			
Called up share capital	*13*	**4**	4
Retained earnings	*14*	**156**	24
Total equity		**160**	28

The financial statements were approved and authorised by the board of directors on 29 June 2021 and were signed on its behalf by:

A Boutrolle
Director

The notes on pages 11 to 19 form part of these Financial Statements.

Notes
(forming part of the financial statements)

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Hallmark – BY Development Limited (the "Company") for the year ended 31 December 2020 were authorised for issue by the board of directors on the date shown on the statement of financial position. Hallmark – BY Development Limited is incorporated and domiciled in England and Wales. The registered address of the Company is Becket House, 1 Lambeth Palace Road, London, United Kingdom, SE1 7EU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The results of the Company are included in the consolidated financial statements of Bouygues SA which are available from 32 Avenue Hoche, 75008, Paris, France.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

Basis of preparation

The accounting policies which follow set out those policies which were applied in preparing the financial statements for the year ended 31 December 2020.

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

a) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment*, on the basis that the Company is a subsidiary and the share based payment arrangement concerns the instruments of another group entity;

b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combination;*

c) the requirements of paragraphs 33(c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;

d) the requirements of IFRS 7 *Financial Instruments: Disclosures;*

e) the requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;

f) 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;*

g) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:

   i) Paragraph 79(a)(iv) of IAS 1;
   ii) Paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
   iii) Paragraph 118(e) of IAS 38 *Intangible Assets*;
   iv) Paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
   v) Paragraph 50 of IAS 41 *Agriculture.*

h) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*;

i) the requirements of IAS 7 *Statement of Cash Flows;*

j) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;

k) the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*;

Notes *(continued)*

2 Accounting policies *(continued)*

Basis of preparation (continued)

l) the requirements of 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; and

m) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

n) the requirements of paragraphs 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS16 *Leases*

Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are set out in the Strategic Report.

In preparing the financial statements on the going concern basis, the directors note that the Company has access to the financial resources of its intermediate parent undertaking, Bouygues (U.K.) Limited ('Bouygues UK'). Bouygues UK has confirmed its ongoing financial support in writing for a period of at least twelve months from the date of approval of the financial statements.

The parent undertaking has carried out its own assessment of going concern covering the period to 30 June 2022 considering the impact the Covid-19 pandemic may have. Downside sensitivities have been applied to the Bouygues UK cashflow forecasts and, even in the unlikely scenario that there is a prolonged decrease in demand for construction services and that the major contracts that Bouygues UK is targeting do not proceed, Bouygues UK still has adequate resources to continue operations for the foreseeable future.

Based on the confirmation of support received from Bouygues UK, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in the preparation of the financial statements.

Judgements and key sources of estimation uncertainty

Preparing financial statements requires the use of estimates and assumptions which may have affected the amounts reported for assets and liabilities at the end of the reporting period, and the amounts of income and expenses reported for the financial year. Those estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply. The main areas in which estimates and assumptions are involved are as follows:

Accounting for construction contracts
The Company makes estimates of the total selling price and costs to complete on construction contracts which impact the level of revenue and profits/losses recognised. Further details are set out in the accounting policies below.

2.1 Assets

Current assets

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are essentially short term, and are carried at face value net of impairment allowances recorded to reflect the probability of recovery.

Notes *(continued)*

***Accounting policies and valuation methods** (continued)*

2.1 Assets (continued)

Current assets (continued)

***Trade and other receivables** (continued)*

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- Invoices issued as works are executed or services provided, and accepted by the customer; and
- Unbilled receivables, arising where works have been carried out but billing or acceptance by the customer has been temporarily delayed or is not yet due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with maturities of three months or less.

Because of the short-term nature of these items, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

*2.2 **Liabilities and shareholders' equity***

a) Current liabilities

Trade and other payables

Because of the short-term nature of these liabilities, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

*2.3 **Statement of profit and loss***

a) Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding VAT. The Company recognises revenue when:

- a contract with the customer containing performance obligations is identified;
- the transaction price is determined and assigned to the performance obligations;
- performance obligations have been met;
- economic benefits arise from the performance obligations being achieved;
- the amount concerned can be reliably measured; and
- it is likely that the amount recognised will be recovered.

Currently, all contracts entered into have one performance obligation.

Notes *(continued)*

2 Accounting policies *(continued)*

***Accounting policies and valuation methods** (continued)*

*2.3 **Statement of profit and loss** (continued)*

b) <u>Accounting for construction contracts</u>

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual completion rate determined by reference to the physical state of progress of the works. The latest estimate of the total selling price takes account of claims accepted by the customer. If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses on completion is recognised in the balance sheet. The loss is provided for in full as soon as it can be reliably measured, irrespective of the completion rate.

If the value of construction services rendered by the Company exceed amounts invoiced to the customer a contract asset is recognised. If amounts invoiced to the customer exceed the value of services rendered, a contract liability is recognised.

c) <u>Operating profit/loss</u>

Operating profit/loss represents the net amount of all income and expenses not generated by financing activities and excludes corporation tax.

*2.4 **Income taxes***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised on all differences between the carrying amount and the tax base of assets or liabilities (balance sheet liability method). These differences arise from:

- Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or
  - items deductible from taxable profits in the future (deferred tax assets). Deferred tax assets are reviewed at the end of each reporting period, and recognised where it is probable there will be sufficient taxable profits to enable the temporary differences to be offset.
- Tax losses available for carry-forward (deferred tax assets), provided that there is a strong probability of recovery in future periods.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of profit and loss.

Notes *(continued)*

3 Analysis of revenue on ordinary activities before taxation

	2020 Turnover £000	2019 Turnover £000
By activity		
Construction services	-	-
	-	-
By geographical market		
United Kingdom	-	-
	-	-

Assets and liabilities related to contracts with customers:

The Company has recognised the following assets and liabilities related to contracts with customers:

	31 Dec 2020 £000	31 Dec 2019 £000
Contract assets	**593**	593
Contract liabilities	**41**	41

Significant changes in contract assets and liabilities

Contract assets and liabilities reflect the level of revenue generating effort compared with agreed invoicing arrangements with customers. Fluctuations year-on-year are influenced by changes in invoicing arrangements, as well as the unwinding of timing differences as work is completed and invoices raised.

Revenue recognised in relation to contract liabilities

There was £nil *(2019: £nil)* revenue recognised in the current reporting period relating to carried-forward contract liabilities.

Notes *(continued)*

4 Operating (loss)/profit

	2020 £000	2019 £000
This is stated after charging		
Auditors' remuneration:		
Audit of these financial statements	7	8

There were no fees for non-audit services paid to the auditors during the year *(2019: £nil).*

5 Directors' Remuneration

No remuneration was payable or receivable by the Directors in respect of qualifying services provided to the Company during the year *(2019: £nil).*

6 Staff numbers and costs

The Company had no employees during the year under review *(2019: £nil).*

7 Interest receivable and similar income

	2020 £000	2019 £000
Bank and other interest receivable	2	3
	2	3

8 Interest payable and similar charges

	2020 £000	2019 £000
Other interest payable	-	257
	-	257

Notes *(continued)*

9 Income Tax

Income tax credited in the statement of profit and loss

	2020 £000	2019 £000
Current tax:		
Current tax on income for the year	-	-
Adjustment in respect of previous years	(140)	(51)
Total current tax	(140)	(51)
Deferred tax:		
Current year tax losses	-	-
Total deferred tax	-	-
Tax credit in the statement of profit and loss	(140)	(51)

Factors affecting the tax credit for the current year

The tax credit for the year is different from the standard rate of corporation tax in the UK of 19% *(2019: 19%)*. The differences are explained below.

	2020 £000	2019 £000
Total income tax reconciliation:		
Loss before tax	(8)	(27)
Tax calculated at UK standard rate of corporation tax of 19% *(2019: 19%)*	(2)	(5)
Effects of:		
Tax losses not recognised	2	5
Adjustment in respect of previous years	(140)	(51)
Total tax credit reported in the statement of profit and loss (see above)	(140)	(51)

Factors that may affect future tax charges

The Company's tax charge may benefit in the future 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.

Deferred tax assets have not been recognised on tax losses arising where there is uncertainty as to value where such losses are surrendered to other group entities or as to when the underlying timing differences will reverse against future taxable profits. At 31st December 2020 there were unrecognised deferred tax assets of £7k *(2019: £5k)*.

The UK corporation tax rate reduced to 19% on 1 April 2017 and was expected to reduce to 17% from 1 April 2020. During 2020 the Government announced that the expected tax rate reduction would not take place and that the tax rate would remain at 19%. This change was substantively enacted on 17 March 2020 and the effect is included in these financial statements. During 2021 the Government has announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This change was not substantively enacted as at the balance sheet date and the effect is not included in these financial statements.

Notes *(continued)*

10 Debtors

	2020 £000	2019 £000
Amounts due from group undertakings	**142**	-
Prepayments and accrued income	**593**	593
Corporation tax	**-**	8
	735	601

All debtors are due within one year. Included within debtors are contract assets of £593k *(2019: £593k)*.

11 Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	**94**	15
Short term deposits – group undertakings	**200**	750
	294	765

12 Creditors - current

	2020 £000	2019 £000
Amounts owed to group undertakings	**-**	463
Accruals and deferred income	**232**	271
Accruals and deferred income – group undertakings	**635**	602
Other taxation and social security	**2**	2
	869	1,338

Included within creditors are contract liabilities of £41k *(2019: £41k)*.

13 Called up share capital

	2020 £000	2019 £000
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each – 4,000 shares	**4**	4

Notes *(continued)*

14 Reserves

	Retained earnings £000	Total £000
At 1 January 2020	24	24
Profit for the year	132	132
At 31 December 2020	156	156

15 Ultimate parent company and parent undertaking of smallest 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.

The Company's immediate parent undertaking is BY Development Limited, a company incorporated in England and Wales.