

Registered No: **6569580**

## **BY Development Limited**

Directors' Report and Financial Statements  
31 December 2011

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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 2011

### **Principal activities**

The company's core activity is property development. The company has previously completed construction work on a mixed use development including a library and residential housing for the London Borough of Barking & Dagenham. During the year it has also continued work on an archive centre and residential housing for Kent City Council.

### **Principal risks and uncertainties**

The company's principal financial risk exposure relates to the credit risk associated with trade debtors which the directors consider to be low. Building development activities are subcontracted with significant risks being passed down to the subcontractors involved.

### **Business review**

The profit after taxation for the year was £4k (2010: £2k). The financial position as at 31 December 2011 is shown in the company's balance sheet on page 7. The directors anticipate that the company will continue to develop its current activities in the future.

### **Key performance indicators**

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 relating to the current year are considered to be satisfactory and in line with expectations.

### **Going concern**

The company's business activities, together with the factors likely to affect its future development and financial position, are set out above. After making appropriate analysis, 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 2011. During 2011 the company paid a dividend of £40,000 in respect of the previous year ended 31 December 2010.

### **Directors**

The directors who held office during the year were as follows:

L Christolomme  
P Jouy  
S Slama-Royer  
M Sow

## **Directors' report** *(continued)*

### **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 continue as at the date of approving the directors' report, but have not been utilised by the directors.

### **Political and charitable contributions**

The company made no political or charitable contributions during the year (2010: £nil).

### **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



**D. Pierce**  
*Company Secretary*

Elizabeth House  
39 York Road  
London  
SE1 7NQ

17 July 2012

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

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 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.

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.

## **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 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 16. 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 3, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2011 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditors' 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 UK*

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

*Date 18/7/2012*

**Profit and loss account**  
*For the year ended 31 December 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Turnover</b>	<b>2</b>	<b>19,148</b>	12,632
<b>Cost of sales</b>		<b>(19,158)</b>	<b>(12,628)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>(10)</b>	<b>4</b>
Administrative expenses		<b>(7)</b>	<b>(6)</b>
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(17)</b>	<b>(2)</b>
Other interest receivable and similar income	<i>6</i>	<b>22</b>	<b>7</b>
Interest payable and similar charges	<i>7</i>	<b>-</b>	<b>(2)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>5</b>	<b>3</b>
Tax on profit on ordinary activities	<i>8</i>	<b>(1)</b>	<b>(1)</b>
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>4</b>	<b>2</b>
		<hr/> <hr/>	<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 to 13 form part of the financial statements



**Balance sheet**  
*at 31 December 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Current assets</b>			
Debtors	9	1,628	8,985
Cash at bank and in hand		189	1,012
		<hr/>	<hr/>
		1,817	9,997
<b>Creditors</b> amounts falling due within one year	10	(1,812)	(9,956)
		<hr/>	<hr/>
<b>Net current assets</b>		5	41
		<hr/>	<hr/>
<b>Net assets</b>		5	41
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	5	41
		<hr/>	<hr/>
<b>Shareholders' funds</b>		5	41
		<hr/>	<hr/>

These financial statements were approved by the Board of directors on 17 July 2012 and were signed on its behalf by

Stephane Stama-Royer  
 Director

**Reconciliation of movements in shareholder's funds**  
*For the year ended 31 December 2011*

	2011 £000	2010 £000
Profit for the financial year	4	2
Dividends paid	(40)	-
	<hr/>	<hr/>
Total movements during the year	(36)	2
Shareholders' funds at 1 January	41	39
	<hr/>	<hr/>
Shareholders' funds at 31 December	5	41
	<hr/>	<hr/>

## **Notes**

*(forming part of 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 a wholly owned subsidiary and, as 100% of the company's voting rights are controlled within the group headed by Bouygues SA, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are 100% owned by the group (or investees of the group qualifying as related parties) The consolidated financial statements of Bouygues SA, within which this company is included, can be obtained from 32 Avenue Hoche, 75008, Paris, France

#### ***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 when 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 (continued)

### 2 Analysis of turnover

	2011 Turnover £000	2010 Turnover £000
<i>By activity</i>		
Construction services	19,148	12,632
	<u>19,148</u>	<u>12,632</u>
<i>By geographical market</i>		
United Kingdom	19,148	12,632
	<u>19,148</u>	<u>12,632</u>

### 3 Profit on ordinary activities before taxation

	2011 £000	2010 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	5	5
	<u>5</u>	<u>5</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 (2010 nil)

### 6 Other interest receivable and similar income

	2011 £000	2010 £000
Bank interest	-	7
Other interest receivable	22	-
	<u>22</u>	<u>7</u>

## Notes (continued)

### 7 Interest payable and similar charges

	2011 £000	2010 £000
Interest payable	-	2
	<u>-</u>	<u>2</u>
	<u>-</u>	<u>2</u>

Of the above amount £nil (2010 £2k) was payable to group undertakings

### 8 Taxation

#### *Analysis of charge in year*

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax on income for the year	1	1
	<u>1</u>	<u>1</u>
Tax on profit on ordinary activities	<u>1</u>	<u>1</u>

The current tax assessed for the year agrees to the standard rate of corporation tax in the UK of 26.5% (2010 28%)

#### *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.

## Notes (continued)

### 9 Debtors

	2011 £000	2010 £000
Prepayments	4	1,074
Amounts owed by group undertakings	-	5,600
Trade debtors	955	2,116
Other debtors	98	195
Accrued income	571	-
	<u>1,628</u>	<u>8,985</u>

### 10 Creditors, amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	37	21
Trade creditors due to group undertakings	185	441
Accruals and deferred income	1,578	9,481
Other amounts due to group undertakings	12	12
Corporation tax	-	1
	<u>1,812</u>	<u>9,956</u>

### 11 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
Equity Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 Profit and loss account

	2011 £000	2010 £000
At beginning of year	41	39
Dividends paid	(40)	-
Profit for the financial year	<u>4</u>	<u>2</u>
At end of year	<u>5</u>	<u>41</u>

**Notes** *(continued)*

**13 Post balance sheet events**

There were no significant events between the balance sheet date, 31 December 2011, and the date the financial statements were approved by the board of directors

**14 Contingent liabilities and contingent assets**

The company has no contingent liabilities or assets at 31 December 2011 (2010 £nil)

**15 Commitments**

There were no contracted capital commitments at year end (2010 £nil)

**16 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