Registered No. 6569580

BY DEVELOPMENT LIMITED

Report and Financial Statements

31 December 2017

Contents

Directors' report

The directors present their report for the year ended 31 December 2017.

Directors of the Company

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

- L Christolomme
- O Crillon
- N Guerin
- C Tatton (resigned 29 June 2017)
- F Viala

The Company Secretary is A Child.

Dividends

Dividends of £2,000k *(2016: £nil)* have been paid during the year.

Future developments

The Company intends to continue its current activities 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 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. The Company is dependent on financial support provided by its parent undertaking, and has received confirmation from its parent undertaking that this financial support will continue for the foreseeable future. After making 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 report and financial statements are prepared on a going concern basis.

Directors' report *(continued)*

Statement of directors' responsibilities

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

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

N Guerin
Director

Becket House
1 Lambeth Palace Road
London SE1 7EU

13 July 2018

Strategic report

Business review

The profit for the year was £261k *(2016: loss £6k)*. The financial position as at 31 December 2017 is shown in the Company's statement of financial position sheet on page 9.

The Company's core business during 2017 was property development.

Turnover for the year was £141,630k *(2016: £109,503k)*. The profit before tax was £318k *(2016: loss £6k)*. Activity has increased in the year due to the phasing of the projects being carried out by the Company and the number of projects in progress.

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 perform these reviews.

The Company enters into variable rate agreements and as a result is exposed to risk arising from fluctuations in interest rates. The Company uses derivative contracts when appropriate to reduce exposure to variability in interest rates. Hedge accounting is used when certain criteria are met as explained in the accounting policy note 2.4.

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 indicators are presented within the financial statements.

By order of the board

N Guérin
Director

Becket House
1 Lambeth Palace Road
London SE1 7EU

13 July 2018

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

Opinion

We have audited the financial statements of BY Development Limited for the year ended 31 December 2017 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 18, 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 2017 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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, 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.

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

Adrian Mulea (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 July 2018

Statement of profit and loss
for the year ended 31 December 2017

	Note	**2017 £000**	2016 £000
Revenue	*3*	**141,630**	109,503
Cost of sales		**(140,935)**	(108,669)
Gross profit		**695**	834
Administrative expenses		**(30)**	(20)
Operating profit	*4*	**665**	814
Interest receivable and similar income	*7*	**807**	468
Interest payable and similar charges	*8*	**(1,154)**	(1,288)
Profit/(Loss) before tax		**318**	(6)
Income tax charge	*9*	**(57)**	-
Profit/(Loss) for the year	*16*	**261**	(6)

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

The notes on pages 10 to 19 form part of these Financial Statements.

Statement of comprehensive income
for the year ended 31 December 2017

	Note	2017 £000	2016 £000
Profit/(Loss) for the year	*16*	**261**	(6)
Other comprehensive income			
Cash flow hedges:			
Loss arising during the year		**(290)**	-
Total comprehensive loss for the year		**(29)**	(6)

The notes on pages 10 to 19 form part of these Financial Statements.

Statement of changes in equity
for the year ended 31 December 2017

	Called up share capital £000	*Cash flow hedge reserve £000*	*Retained earnings £000*	*Total Equity £000*
At 1 January 2016	-	-	**3,062**	**3,062**
Loss for the year	-	-	(6)	(6)
Total comprehensive income for the year	-	-	**(6)**	**(6)**
At 31 December 2016	-	-	**3,056**	**3,056**
Dividends Paid for the year	-	-	(2,000)	(2,000)
Profit for the year	-	-	261	261
Other comprehensive loss	-	(290)	-	(290)
Total comprehensive loss for the year	-	**(290)**	**261**	**(29)**
At 31 December 2017	-	**(290)**	**1,317**	**1,027**

Equity dividends of £2,000k were paid on 19 December 2017 *(2016:* £nil). This represents a dividend of £1,000k per share.

The notes on pages 10 to 19 form part of these Financial Statements.

Statement of financial position
at 31 December 2017

	Note	**2017**	2016
		£000	£000
Non-current assets			
Investments	*10*	**13,156**	11,652
Current assets			
Inventories	*11*	**7,116**	6,095
Debtors	*12*	**40,449**	38,211
Cash and cash equivalents	*13*	**8,250**	7,977
		55,815	52,283
Current liabilities			
Creditors	*14*	**(67,944)**	(60,879)
Net current liabilities		**(12,129)**	(8,596)
Total assets less current liabilities		**1,027**	3,056
Net assets		**1,027**	3,056
Capital and reserves			
Called up share capital	*15*	**-**	-
Cash flow hedge reserve	*16*	**(290)**	-
Retained earnings	*16*	**1,317**	3,056
Total equity		**1,027**	3,056

These financial statements were approved and authorised by the board of directors on 13 July 2018 and were signed on its behalf by:

N Guerin
Director

The notes on pages 10 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 BY Development Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on the date shown on the statement of financial position. 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 Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Bouygues SA.

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

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. The Company is dependent on financial support provided by its parent undertaking, and has received confirmation from its parent undertaking that this financial support will continue for the foreseeable future. After making 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 report and financial statements are prepared on a going concern basis.

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 2017.

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

a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share based Payment*, because the share based payment arrangement concerns the instruments of another group entity;

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

c) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;

d) 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*;

e) the requirements of paragraphs 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*;

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

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

h) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;

Notes *(continued)*

2 Accounting policies *(continued)*

***Basis of preparation** (continued)*

i) 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

j) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.

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:

Impairment of assets
The Company makes estimates in assessing the value of assets at each reporting date. The Company makes estimates of recoverable amounts in order to determine the extent of any impairment losses relating to investments and to inventory. Further details are set out in the accounting policies below.

Accounting for construction contracts
The Company makes estimates of the total selling price and costs to complete on construction contracts. Further details are set out in the accounting policies below.

Accounting policies and valuation methods

2.1 Assets

a) Non-current assets

Financial assets:

Investments in long-term investment securities
Investments in long-term investment securities are classified as available-for-sale financial assets, and are recognised at fair value in the statement of financial position, with the exception of equity holdings in group undertakings, joint ventures and associates, which are recognised at cost.

Changes in fair value are recognised in equity except in the case of other-than temporary impairment, in which case the impairment loss is recognised in profit or loss for the period. When an asset is derecognised, the change in fair value previously recognised in equity is reclassified to profit or loss.

Long-term loans receivable and other non-current assets
Loans and other non-current assets are measured at fair value on initial recognition, and subsequently at amortised cost.

b) Current assets

Inventories

Development work-in-progress is stated at the lower of cost or market price. Where the realisable value of inventory is lower than cost, an impairment loss is recognised.

Notes *(continued)*

2 Accounting policies *(continued)*

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

Trade and other receivables

Trade receivables are essentially short term, and are carried at face value net of impairment allowances recorded to reflect the probability of recovery.

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 client; and
- Unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the client has been temporarily delayed.

Cash and cash equivalents

Cash equivalents (short-term investments) are measured at fair value and classified as available-for-sale financial assets.

Cash and short-term deposits:
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 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.

b) Accounting for construction contracts

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 client. If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses on completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it can be reliably measured, irrespective of the completion rate.

Notes *(continued)*

2 Accounting policies *(continued)*

Accounting policies and valuation methods *(continued)*

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

c) *Operating profit*

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

*2.4 **Financial Instruments***

The Company uses hedging instruments to limit the impact on the income statement of fluctuations in interest rates.

a) *Hedge accounting policies and rules*

The Company accounts for hedges in accordance with IAS 39.

Hedge accounting is applied where a derivative instrument wholly or partly offsets changes in the fair value or cash flows of a hedged item. Hedge effectiveness is assessed on a regular basis, and at least once a quarter.

To qualify for hedge accounting, financial instruments must meet the following conditions:

- Formal designation and documentation of the hedging relationship on inception of the hedge; and
- Hedge effectiveness demonstrated throughout the life of the financial instrument.

Where a derivative instrument is used to hedge the exposure to variability in the cash flows from a firm commitment or a forecast transaction, the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised directly in equity. The change in fair value of the portion of the hedge regarded as ineffective is recognised immediately in profit or loss.

All derivative instruments are measured at fair value. Fair value is the quoted market price in the case of listed instruments, or is determined using calculation and valuation models based on market data (yield curves, exchange rates, etc.) in other cases.

No embedded derivatives within the meaning of IAS 39 have been identified within the Company.

*2.5 **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.

Notes *(continued)*

2 Accounting policies *(continued)*

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

*2.5 **Income taxes** (continued)*

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.

3 Analysis of revenue on ordinary activities before taxation

	2017 Turnover £000	2016 Turnover £000
By activity		
Construction services	**141,630**	109,503
	141,630	109,503
By geographical market		
United Kingdom	**141,630**	109,503
	141,630	109,503

4 Operating profit

	2017 £000	2016 £000
This is stated after charging		
Auditors' remuneration:		
Audit of these financial statements	**28**	17

There were no fees for non-audit services paid to the auditors during the year *(2016: £nil)*.

5 Directors' Remuneration

No remuneration is payable to the Directors in respect of qualifying services provided to the Company or its subsidiaries.

6 Staff numbers and costs

The company had no employees during the year under review *(2016: nil)*.

Notes *(continued)*

7 Interest receivable and similar income

	2017 £000	2016 £000
Bank interest	-	1
Other interest receivable	807	467
	807	468

8 Interest payable and similar charges

	2017 £000	2016 £000
Other interest payable	1,154	1,288

9 Taxation

Tax charged in the statement of profit and loss

	2017 £000	2016 £000
Current tax:		
Current tax on income for the year	57	-
Total current tax	57	-
Deferred tax:		
Current year tax losses	-	-
Total deferred tax	-	-
Tax charge in the statement of profit and loss	57	-

Notes *(continued)*

9 Taxation *(continued)*

Factors affecting the tax charge for the current year

The tax charge for the year is different from the rate of corporation tax in the UK for the year of 19.25% *(2016: 20%)*. The differences are explained below.

	2017 £000	2016 £000
Total current income tax reconciliation:		
Profit/(Loss) before tax	**318**	(6)
Tax calculated at UK rate of corporation tax of 19.25%	**61**	(1)
Effects of:		
Tax losses arising not recognised	**-**	1
Group Relief	**(4)**	-
Total tax charge reported in the statement of profit and loss (see above)	**57**	-

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 31 December 2017 there were unrecognised deferred tax assets of £nil *(2016: £1k)*.

The UK corporation tax rate reduced to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020.

10 Investments

	Shares in group undertakings £000	Other unlisted shares £000	Other loans £000	Total £000
Cost/Fair Value, less impairment				
At beginning of year	3,132	1,431	7,089	11,652
Additions	-	5	1,518	1,523
Disposals/repayments	-	-	(19)	(19)
At 31 December 2017	3,132	1,436	8,588	13,156
At 31 December 2016	3,132	1,431	7,089	11,652

Notes *(continued)*

10 Investments *(continued)*

The companies in which the Company's direct interest at the year-end is 20% or more are as follows:

	Country of incorporation	Principal activity	Percentage of voting rights and shares held
Subsidiary undertakings:			
Hallmark – BY Development Limited	England	Property Development	100%
Uliving Limited	England	Dormant	100%
Hallsville Quarter (Phase 1) Residents Company Ltd	England	Dormant	100%*
Hallsville Quarter (Phase 2) Residents Company Ltd	England	Dormant	100%*
Hallsville Management Company Ltd	England	Property Management	80%*
Joint Ventures:			
Bouygues Development - Leadbitter Limited	England	Dormant	50%
Bouygues Development – Thomas Vale Limited	England	Property Development	50%
Uliving Campus Limited	England	Dormant	50%
Associates			
Bedford Riverside Regeneration Limited	England	Property Development	25%
HSU JV LLP	England	Dormant	20%**

* Company limited by guarantee
**Limited liability partnership formed during the year.

11 Inventories

	2017 £000	2016 £000
Development work in progress	**7,116**	6,095
	7,116	6,095

12 Debtors

	2017 £000	2016 £000
Trade debtors	**1,405**	2,518
Prepayments and accrued income	**27,929**	11,388
Prepayments – group undertakings	**6,432**	21,125
Other debtors	**4,683**	3,180
	40,449	38,211

Notes *(continued)*

13 Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	**1,250**	47
Short term deposits	**7,000**	7,930
	8,250	7,977

14 Creditors - current

	2017 £000	2016 £000
Trade creditors	**5,740**	348
Amounts owed to group undertakings	**36,890**	19,288
Accruals and deferred income	**12,427**	20,935
Accruals and deferred income – group undertakings	**3,639**	20,308
Financial instruments	**290**	-
Other creditors	**8,958**	-
	67,944	60,879

£7,756k *(2016: £nil)* included within other creditors relates to overage payable in connection with development projects.

15 Called up share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each – 2 shares	**2**	2
	2	2

Notes *(continued)*

16 Reserves

	Cash flow hedge reserve	Retained earnings	Total
	£000	£000	£000
At 1 January 2017	-	3,056	3,056
Dividends paid	-	(2,000)	(2,000)
Profit for the year	-	261	261
Net movement on cash flow hedges	(290)	-	(290)
At December 2017	**(290)**	**1,317**	**1,027**

Cash flow hedge reserve

The cash flow hedge reserve is used to record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

17 Related party transactions

The Company entered into transactions during the year with related companies as follows:

Bedford Riverside Regeneration Ltd

The Company's turnover from project management services during 2017 with Bedford Riverside Regeneration Ltd was £98k *(2016: £72k)*.

At 31 December 2017 £25k *(2016: £50k)* was due from the Company to Bedford Riverside Regeneration Ltd. £3k was included in deferred income *(2016: £49k)*.

Hallsville Management Company Ltd

The Company's turnover from management services and associated charges during 2017 with Hallsville Management Company Limited was £42k *(2016: £75k)*.

At 31 December 2017 £11k *(2016: £11k)* was due to the Company from Hallsville Management Company Limited.

18 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 Bouygues (U.K.) Limited, incorporated in England and Wales.