

BNP Paribas Real Estate Facilities Management Limited

Annual report and financial statements for the year ended 31 December 2016

Registered number: 01365345

Registered office:

5 Aldermanbury Square

London

EC2V 7BP

FRIDAY



A688X0VD

A16

09/06/2017

#38

COMPANIES HOUSE

BNP Paribas Real Estate Facilities Management Limited

Annual report and financial statements for the year ended 31 December 2016

Contents

| | |
|----|-----------------------------------|
| 1 | Strategic report |
| 2 | Directors' report |
| 4 | Independent auditors' report |
| 7 | Statement of comprehensive income |
| 8 | Statement of financial position |
| 9 | Statement of changes in equity |
| 10 | Notes to the financial statements |

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Strategic report (Company No. 01365345)

The directors present their strategic report of the company for the year ended 31 December 2016.

Business review and future developments

The company has sufficient financial resources together with financial and other support, if necessary, from BNP Paribas Real Estate Advisory & Property Management UK Limited in relation to its operational activities. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The services and expenses of the company are recharged to its clients at a marked up cost. A management fee equal to the profit or loss arising in the year is charged by BNP Paribas Real Estate Advisory & Property Management UK Limited, the immediate parent, resulting in a result on ordinary activities before taxation of £nil (2015: £nil). Revenue for the year was £6,000,604 (2015: £4,791,881). The company has net assets of £100 (2015: £100). The directors expect a similar level of activity to continue for the foreseeable future.

Key performance indicators (KPIs)

The directors of BNP Paribas Real Estate Advisory & Property Management UK Limited manage the group's operation on a divisional basis. For this reason, the company directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of BNP Paribas Real Estate Facilities Management Limited. The development, performance and position of the facilities management division of BNP Paribas Real Estate Advisory & Property Management UK Limited, which includes the company, are discussed in the BNP Paribas annual report, which does not form part of this report.

The Strategic Report is approved by the board and signed by order of the Board.

5 Aldermanbury Square
London
EC2V 7BP
23 March 2017


Matthew Gasser, Company Secretary

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Directors' report (Company No. 01365345)

The directors present the report on the affairs of the company (Company No. 01365345), together with the audited financial statements and independent auditors' report for the year ended 31 December 2016.

Dividends

The directors do not propose a dividend for the year (2015: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

John Slade

Paul Abrey

BNP Paribas Real Estate SAS (Resident in France)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Directors' report (Company No. 01365345)

Financial risk management

The immediate parent undertaking, BNP Paribas Real Estate Advisory & Property Management UK Limited operates a treasury function, which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Disclosure of information to auditors

The directors have taken all reasonable steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

Directors' indemnity

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

5 Aldermanbury Square
London
EC2V 7BP

By order of the Board


Matthew Gasser, Company Secretary

23 March 2017

BNP Paribas Real Estate Facilities Management Limited

Year ended 31 December 2016

Independent auditors' report to the members of BNP Paribas Real Estate Facilities Management Limited

Report on the financial statements

Our opinion

In our opinion, BNP Paribas Real Estate Facilities Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

BNP Paribas Real Estate Facilities Management Limited

Year ended 31 December 2016

Independent auditors' report to the members of BNP Paribas Real Estate Facilities Management Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

BNP Paribas Real Estate Facilities Management Limited

Year ended 31 December 2016

Independent auditors' report to the members of BNP Paribas Real Estate Facilities Management Limited

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Philip Tew (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 March 2017

BNP Paribas Real Estate Facilities Management Limited

Statement of comprehensive income

For the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-------------|-------------|
| Revenue | 4 | 6,000,604 | 4,791,881 |
| Cost of sales | | (6,000,604) | (4,791,881) |
| Result on ordinary activities before taxation | 5 | - | - |
| Income tax expense on ordinary activities | 7 | - | - |
| Result for the year and total comprehensive income for the year | | - | - |

All results are derived from continuing operations in both the current and preceding year.

BNP Paribas Real Estate Facilities Management Limited

Statement of financial position

As at 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|--------------------|------------------|
| Current assets | | | |
| Trade and other receivables | 8 | 1,076,913 | 691,024 |
| Cash and cash equivalents | | 78,683 | 3,751 |
| | | <u>1,155,596</u> | <u>694,775</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 9 | <u>(1,155,496)</u> | <u>(694,675)</u> |
| Net assets | | 100 | 100 |
| Capital and reserves | | | |
| Called up share capital | 10 | <u>100</u> | <u>100</u> |
| Total shareholders' funds | | <u>100</u> | <u>100</u> |

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the Board of Directors on the 23 March 2017 and signed on its behalf.



John Slade
Director

23 March 2017

BNP Paribas Real Estate Facilities Management Limited

Statement of Changes in Equity

For the year ended 31 December 2016

| | Called up share capital | Total shareholders' funds |
|---------------------------------------|----------------------------|---------------------------------|
| | £ | £ |
| Balance as at 1 January 2015 | 100 | 100 |
| Balance as at 31 December 2015 | 100 | 100 |
| Balance as at 1 January 2016 | 100 | 100 |
| Balance as at 31 December 2016 | 100 | 100 |

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

1 General information

The company's principal activity is that of the provision of services of clerical, manual and other staff used in the management of commercial properties.

The company is a private company limited by shares and is incorporated and domiciled in the UK.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The amendments to FRS 101 (2015/16) issued in July 2016 have been applied. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) IFRS 7 Financial Instruments: Disclosures;
- b) Paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- c) 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;
- d) IAS 7 Statement of Cash Flows;
- e) Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- f) Paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- g) IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- h) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

2.1.1 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

2.1.2 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2016, have had a material impact on the company.

2.2 Consolidation

The company is a wholly owned subsidiary undertaking of BNP Paribas Real Estate Advisory & Property Management UK Limited, which is registered in England and Wales. BNP Paribas Real Estate Advisory & Property Management UK Limited is 100% owned by BNP Paribas Real Estate SAS. The directors regard BNP Paribas SA, a company incorporated in France, as the ultimate parent company and controlling party.

The smallest and largest group in which the financial statements of the company are consolidated is that headed by BNP Paribas SA. Copies of these financial statements are available from 16 Boulevard des Italiens, 75009 Paris, France.

2.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All other foreign exchange gains and losses are recognised as an expense in 'Other operating income'.

2.4 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the company commits to purchase or sell the asset.

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

The company's financial assets include cash and short-term deposits, trade and other receivables and loans and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends upon their classification.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.

2.5 Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.6 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Current income tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of comprehensive income before other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.11 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities.

The company provides clerical, manual and other staff used in the management of commercial properties. Revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other trade receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

4 Revenue

Revenue of £6,000,604 (2015: £4,791,881) is wholly attributable to the company's principal activity which is generated entirely within the United Kingdom.

5 Result on ordinary activities before taxation

Auditors' remuneration of £11,261 has been charged for 2016 for audit services (2015: £12,408). This cost is borne and recognised by the parent company BNP Paribas Real Estate Advisory & Property Management UK Limited.

6 Staff costs

The average monthly number of employees was:

| | 2016 | 2015 |
|----------------|-----------|-----------|
| | Number | Number |
| Professional | 78 | 63 |
| Administration | 11 | 10 |
| | <u>89</u> | <u>73</u> |

Employee costs during the year amounted to:

| | 2016 | 2015 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,363,115 | 3,537,107 |
| Social security costs | 470,253 | 380,537 |
| Other pension costs | 95,898 | 85,160 |
| | <u>4,929,266</u> | <u>4,002,804</u> |

No director was remunerated in respect of services provided to the company during 2016 (2015: £nil).

7 Tax on result on ordinary activities

The company has incurred no corporation tax charge in the year (2015: £nil).

8 Trade and other receivables

| | 2016 | 2015 |
|--------------------------------|------------------|----------------|
| | £ | £ |
| Trade debtors | 1,053,649 | 676,780 |
| Other debtors | 8,851 | - |
| Prepayments and accrued income | 14,413 | 14,244 |
| | <u>1,076,913</u> | <u>691,024</u> |

Trade receivables are due within one year and are stated after provision for impairment of £32,665 (2015: £44,666).

BNP Paribas Real Estate Facilities Management Limited

For the year ended 31 December 2016

Notes to the financial statements

9 Creditors: Amounts falling due within one year

| | 2016 | 2015 |
|------------------------------------|------------------|----------------|
| | £ | £ |
| Trade creditors | - | 963 |
| Amounts owed to group undertakings | 692,787 | 352,928 |
| Taxation and social security | 462,709 | 338,586 |
| Other creditors | - | 2,198 |
| | <u>1,155,496</u> | <u>694,675</u> |

The amount owned to group undertakings is an intercompany balance that is unsecured, interest-free, has no fixed date of repayment and is repayable on demand.

10 Called up share capital

| | 2016 | 2015 |
|--|------------|------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 100 (2015: 100) ordinary shares of £1 each | <u>100</u> | <u>100</u> |

11 Related party transactions

Under the exemptions of FRS101, no related party transactions are disclosed since all such transactions are with entities that are 100% controlled by the group and included in the consolidated financial statements of the ultimate parent company, BNP Paribas SA.

12 Subsequent events

No subsequent events have been identified.