

BNP Paribas Real Estate Advisory & Property Management UK Limited

Annual report and financial statements for the year to 31 December 2012

Registered number 04176965

Registered office

5 Aldermanbury Square

London

EC2V 7BP

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BNP Paribas Real Estate Advisory & Property Management UK Limited

Annual report and financial statements for the year to 31 December 2012

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BNP Paribas Real Estate Advisory & Property Management UK Limited

Directors' Report (Company No 04176965)

For the year ended 31 December 2012

The directors present their annual report on the affairs of the company (Company No 04176965), together with the financial statements and auditors' report, for the year to 31 December 2012

Principal activities

The principal activity of the company is that of Chartered Surveyors providing comprehensive and integrated property related advice and services to clients

Business review

The company achieved a turnover of £50,683,381 (2011 £58,798,697) which represented a decrease of 14% over the previous year

This fall in turnover in the UK reflects the 2012 redeployment plan, reducing the regional presence of the business and boosting the transactional business, particularly in London. It is also partly due to the continuing challenging UK property market and general economic conditions

The UK development plan included the recruitment of senior experts across London Investment, National Investment, London Lettings & Sales, Retail and other key positions across the consulting and professional business lines in response to the needs of clients. Over 50 senior positions were recruited in 2012 through a targeted recruitment campaign. The initial effects of this strategy should come to the fore in late 2013

In 2013, this targeted recruitment will continue. In addition, the UK business will aim to make the most of the company's market leading position in Germany and France by working closely with the CEOs and investment teams there, and take advantage of the unique platforms set up in Hong Kong and Singapore to drive investment into London

The company disposed of its Investment in Investment Property Databank Holdings Limited to MCSI during the year. In addition, Weatheralls Consultancy Services Limited, a subsidiary undertaking of BNP Paribas Real Estate Advisory & Property Management UK Ltd, was dissolved during 2012 as the company was no longer trading

BNP Paribas Real Estate Advisory & Property Management UK Limited operates Environmental Management standard BE EN ISO14001 to improve continually its environmental performance. This management system evaluates direct and indirect significant environmental aspects

The directors' stated aim is for BNP Paribas Real Estate Advisory & Property Management UK Limited to become one of the leading property consultants in the UK. This aim is to be achieved via growth either through acquisitions or organically. The company recognises that it is exposed to a number of risks and has an established, structured approach to identifying, assessing and managing these risks. The company's Operational Permanent Control has responsibility for, and reports regularly on, the risks facing the company and the mitigating actions taken in order to manage them

Directors' Report (continued)

For the year ended 31 December 2012

The company's principal risks fall within the following broad headings business environment, strategic and operational. The board recognises that there are other risks that at present remain unknown or which it otherwise does not consider to be material.

Business environment risks

The property market is cyclical by nature, being affected by a variety of economic factors. Consequently any economic downturn directly affects the company's revenues and cashflows. The company's strategy of maintaining a diverse range of business lines whilst seeking to grow the transactional side of its business assists in the mitigation of, but will not eliminate entirely, this risk.

Strategic risks

The market in which the company operates is highly competitive and this competitiveness continues to increase as a consequence of the economic downturn. The company endeavours to mitigate this through a combination of high client service standards, comprehensive service offerings and business development.

Operational risks

As a provider of professional services the company's immediate operational risk is that of claims for professional negligence. A range of measures are adopted by the company to minimise the likelihood of any claims and the reoccurrence of circumstances leading to claims. Extensive professional indemnity insurance cover is maintained in respect of professional negligence claims. Furthermore the company is also required to comply with BNP Paribas SA's strict risk management procedures which include regular reporting to the bank's Audit and Inspection teams.

The company is aware of the need to maintain business continuity and during the course of 2012 continued to maintain and implement an extensive business continuity plan focussing on critical facilities, activities, processes and skills. Business interruption insurance is also maintained by the company.

Results and dividends

The audited financial statements for the year ended 31 December 2012 are set out on pages 7 to 27. The operating loss before goodwill amortisation and exceptional items for the year was £367k (2011 profit £1,188k). The loss for the year after taxation was £2,827k (2011 £3,239k). These financial statements include a final dividend paid of £nil (2011 £nil). The directors have decided there will be no dividend paid in respect of 2012.

The company made charitable donations in the year of £6,184 (2011 £8,513).

BNP Paribas Real Estate Advisory & Property Management UK Limited

Directors' Report (continued)

For the year ended 31 December 2012

Directors

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

P Abrey (appointed 4th April 2013)

F Benfeghoul (resigned 4th April 2013)

G A Cooke

M England

H Faure

D Moerenhout

J M T Slade (appointed 4th April 2013)

C Tucker (resigned 4th April 2013)

A Whitelaw (resigned 4th April 2013)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the group intranet site.

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2012, the company had an average of 19 (2011: 23) days purchases outstanding in trade creditors.

Treasury operations and financial instruments

The company operates a treasury function, which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

Liquidity risk

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

Directors' Report (continued)

For the year ended 31 December 2012

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans

Foreign currency risk

The company's principal foreign currency exposures arise from trading operations in overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies that must fulfil credit rating criteria approved by the Board

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

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

Disclosure of information to auditors

The directors have taken all the necessary 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

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

Directors' Report (continued)

For the year ended 31 December 2012

5 Aldermanbury Square
LONDON
EC2V 7BP
ENGLAND

By order of the board

A handwritten signature in black ink, reading "Matthew Gasser", with a horizontal line underneath.

Matthew Gasser
Company Secretary

22 April 2013

Statement of Directors' responsibilities

For the year ended 31 December 2012

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 the Directors have prepared 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 that financial year. 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 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 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 Advisory & Property Management UK Limited

Independent auditors' report to the members of BNP Paribas Real Estate Advisory & Property Management UK Limited

We have audited the financial statements of BNP Paribas Real Estate Advisory & Property Management UK Limited for the year ended 31 December 2012 which comprise of the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 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.

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.

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 2012 and of its loss 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.

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.



Philip Tew (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22 April 2013

BNP Paribas Real Estate Advisory & Property Management UK Limited

Profit and Loss Account

For the year ended 31 December 2012

	Notes	2012 £'000	Restated 2011 £'000
Turnover	1	50,683	58,799
Cost of sales		(33,566)	(42,824)
Gross Profit		17,117	15,975
Operating expenses		(20,774)	(20,060)
Operating loss		(3,657)	(4,085)
Operating (loss) / profit before goodwill amortisation & exceptional items		(367)	1,188
Goodwill amortisation		(3,290)	(3,290)
Exceptional items	2	-	(1,983)
Operating loss		(3,657)	(4,085)
Income from other fixed asset & investments		1,362	800
Interest receivable & similar income	3	126	93
Interest payable & similar charges	3	(211)	(49)
Loss on ordinary activities before taxation	4	(2,380)	(3,241)
Taxation on loss on ordinary activities	7	(447)	2
Loss for the financial year	16	(2,827)	(3,239)

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

The notes on pages 10 to 27 are an integral part of these financial statements

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2012

	Notes	2012 £'000	Restated 2011 £'000
Loss for the financial year		(2,827)	(3,239)
Pension actuarial loss	18	(1,478)	(829)
Deferred taxation on pension actuarial loss		256	207
Total recognised gains and losses		(4,049)	(3,861)

There is no difference between the loss for the year and the loss prepared on a historical cost basis

The notes on pages 10 to 27 are an integral part of these financial statements

BNP Paribas Real Estate Advisory & Property Management UK Limited

Balance Sheet

31 December 2012

	Notes	2012 £'000	Restated 2011 £'000
Fixed assets			
Intangible assets	8	37,157	40,447
Tangible assets	9	3,059	2,528
Investments	10	1,260	3,027
		<u>41,476</u>	<u>46,002</u>
Current assets			
Unbilled receivables		1,285	1,371
Debtors	11	19,181	23,529
Deferred tax	7	1,228	1,517
Cash at bank and in hand		877	667
		<u>22,571</u>	<u>27,084</u>
Current liabilities			
Creditors amounts falling due within one year	12	(19,019)	(23,000)
Net current assets		<u>3,552</u>	<u>4,804</u>
Total assets less current liabilities		45,028	50,086
Provisions for liabilities	13	(2,656)	(3,665)
Net Assets		<u>42,372</u>	<u>46,421</u>
Capital and reserves			
Called-up share capital	14	7,850	7,850
Share premium account	15	20,000	30,000
Other reserves	15	11,175	14,119
Profit and loss account	15	3,347	(5,548)
Total shareholders' funds	16	<u>42,372</u>	<u>46,421</u>

The notes on pages 10 to 27 are an integral part of these financial statements

The financial statements on pages 7 to 27 were approved by the Board of Directors on the 22 April 2013 and signed on its behalf

Gregory Cooke



22 April 2013

BNP Paribas Real Estate Advisory & Property Management UK Limited

Accounting Policies

31 December 2012

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Going Concern

The financial statements have been prepared on the going concern basis.

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 1 to 4. The Company's borrowing facilities are described in Note 12.

The Company has considerable financial resources together with sufficient long term contracts with customers and suppliers across various geographical locations. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly controlled subsidiary of BNP Paribas Real Estate SAS, which is resident within the EU, and which is itself controlled by BNP Paribas SA, also resident within the EU.

The financial statements therefore contain information about BNP Paribas Real Estate Advisory & Property Management UK Limited as an individual company and do not contain consolidated financial information as the parent of a group.

Cash flow statement

Under the provisions of Financial Reporting Standard 1 (revised), the company has not prepared a cash flow statement as it is a wholly owned subsidiary of BNP Paribas SA, a company incorporated in France, and the cash flows of the company are included in the consolidated financial statements of the group.

Intangible assets - Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is estimated by the directors to be twenty years. Provision is made for any impairment.

Accounting Policies (continued)

31 December 2012

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Leasehold Improvements	20% per annum, straight line
Office Equipment – Computers and Other	25% per annum, straight line

Investments

Fixed asset investments are shown at the lower of cost or valuation less provision for impairment. Investments are reviewed for impairment annually by the directors.

Unbilled receivables

Unbilled receivables are stated at a value inclusive of profit where it can be measured reliably that the fair value of the right to consideration includes a profit element. If a profitable outcome cannot be measured reliably, unbilled receivables are recognised only to the extent of the attributable expenses recorded that are recoverable.

Taxation

UK corporation tax is provided at the amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the financial years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Accounting Policies (continued)

31 December 2012

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the financial year to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter financial year is used.

Pension costs and other post-retirement benefits

The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The pension costs are accounted for in accordance with FRS 17. On 30 September 2006 this scheme was frozen with no further contributions to be made by employees.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below), and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

Related party transactions

Under the provisions of FRS 8, 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.

Notes to the Financial Statements for the year ended

31 December 2012

1 Turnover

Turnover of £50,683,381 (2011 £58,798,697), which is stated net of value added tax, represents amounts invoiced to third parties for the provision of property related advice, materially all of which arises in the United Kingdom

2 Exceptional Items

	2012	2011
	£	£
Redundancy Costs	-	1,558
Office Relocation Costs	-	388
Asset write off costs	-	37
	<u>-</u>	<u>1,983</u>

Exceptional items of £1,983k were recognised in 2011 relating to the reorganisation of its UK business and the removal of 52 roles. The UK reorganisation was part of a strategy to increase profitability by reducing long-term loss making parts of the business, and to invest in key areas of the business, such as London Investment and National Investment, which has allowed the company to pursue its longer-term strategy.

3 Net finance (loss) / income

	2012	2011
	£'000	£'000
Interest receivable & similar income		
- bank interest	13	1
- other interest	113	92
Total interest receivable & similar income	<u>126</u>	<u>93</u>
Interest payable & similar charges		
- group company loan	(100)	(40)
- bank charges	(111)	(9)
Total interest payable & similar charges	<u>(211)</u>	<u>(49)</u>
Net Finance (loss) / income	<u>(85)</u>	<u>44</u>

Notes to the Financial Statements for the year ended (continued)

31 December 2012

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2012	Restated 2011
	£'000	£'000
Operating lease rentals		
- plant and machinery	3	78
- other	446	528
Depreciation of tangible fixed assets	741	748
Amortisation of goodwill (Restated)	3,290	3,290
Fees payable to the company's auditors for the audit of the company's financial statements	79	80
Fees charged for the audit of subsidiary undertakings pursuant to legislation	10	4
Loss on disposal of fixed assets	-	38

Refer to Note 19 for details of 2011 restatement

5 Staff costs

The average monthly number of employees (including executive directors) was

	2012	2011
Professional	408	486
Administration	115	122
	<u>523</u>	<u>608</u>

Their aggregate remuneration comprised

	£'000	£'000
Wages and salaries	29,589	33,864
Redundancy costs	-	1,980
Social security costs	3,097	3,472
Other pension costs	1,866	2,333
	<u>34,552</u>	<u>41,649</u>

During the year the amount of £2 9m was included within wages and salaries in relation to employee benefit costs, the previous year the amount was £3 3m

Notes to the Financial Statements for the year ended (continued)

31 December 2012

6 Directors' remuneration and transactions**Remuneration**

The remuneration of the directors of the company and its subsidiaries was as follows

		Restated
	2012	2011
	£'000	£'000
Emoluments	1,451	2,051
Benefits in kind	146	136
Company contributions to Defined Contribution Schemes	90	30
Private pension	2	9
	<u>1,689</u>	<u>2,226</u>

The Defined Contribution Schemes for 2011 have been restated to disclose all amounts which relate to services provided to the company and its subsidiaries

Pensions

The number of directors who were members of pension schemes was as follows

		Restated
	2012	2011
Defined Contribution Schemes	5	5

The number of directors for 2011 has been updated to disclose all the directors who provided services to the company and its subsidiaries

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director

	2012	2011
	£'000	£'000
Total emoluments	<u>257</u>	<u>239</u>

Notes to the Financial Statements for the year ended (continued)

31 December 2012

7 Tax on loss on ordinary activities

a) The tax credit is made up as follows	2012	2011
Current tax	£'000	£'000
Continuing operations	123	(748)
Adjustment in respect of prior year	35	474
	<u>158</u>	<u>(274)</u>
Deferred tax		
Continuing operations	178	381
Adjustment in respect of prior year	4	(170)
Change in tax rate	107	61
	<u>447</u>	<u>(2)</u>

The tax assessed for the year is lower (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

b) Factors affecting the current tax credit

Loss on ordinary activities before tax	(2,380)	(2,956)
Loss on ordinary activities multiplied by full UK rate 24.5% (2011 26.5%)	<u>(583)</u>	<u>(783)</u>
Taxable capital gain	761	-
Expenses not deductible for tax purposes	483	656
Non taxable income	(404)	(233)
Adjustments in respect of prior years	35	474
Capital allowances in excess of depreciation	(44)	(100)
Short term timing differences	(90)	(288)
Total current tax charge / (credit)	<u>158</u>	<u>(274)</u>

c) Deferred tax

The deferred tax asset included in the Balance Sheet is as follows

Accelerated depreciation	229	321
Other timing differences	999	1,196
Deferred tax debtor	<u>1,228</u>	<u>1,517</u>

£'000

d) Deferred tax (continued)

As at 1 January 2012	1,517
(Charge) to profit and loss account	(178)
Adjustment in respect of prior year	(4)
Origination and reversal of timing differences	-
Change in tax rate	(107)
As at 31 December 2012	<u>1,228</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

8 Intangible fixed assets – Goodwill

	£'000
Cost	
At 1 January 2012 (Restated) and 31 December 2012	65,772
Accumulated amortisation	
At 1 January 2012 (Restated)	25,325
Charge for the year	3,290
At 31 December 2012	<u>28,615</u>
Net book value	
At 31 December 2011 (Restated)	40,447
At 31 December 2012	<u>37,157</u>

Refer to Note 19 for details of 2011 restatement

9 Tangible fixed assets

	Leasehold Improvements	Office Equipment Computers	Office Equipment Other	Assets in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2012	408	1,850	236	1,321	3,815
Additions	1	762	117	394	1,274
Transfers	29	1,292	-	(1,321)	-
Disposals	(108)	(403)	(210)	-	(721)
At 31 December 2012	<u>330</u>	<u>3,501</u>	<u>143</u>	<u>394</u>	<u>4,368</u>
Accumulated depreciation					
At 1 January 2012	(309)	(763)	(215)	-	(1,287)
Charge for the year	(100)	(610)	(31)	-	(741)
Disposals	106	403	210	-	719
At 31 December 2012	<u>(303)</u>	<u>(970)</u>	<u>(36)</u>	<u>-</u>	<u>(1,309)</u>
Net book value					
At 31 December 2011	99	1,087	21	1,321	2,528
At 31 December 2012	<u>27</u>	<u>2,531</u>	<u>107</u>	<u>394</u>	<u>3,059</u>

Notes to the Financial Statements for the year ended (continued)

31 December 2012

10 Investments

		Restated
	2012	2011
	£'000	£'000
Subsidiary undertakings	1,260	1,410
Other investments	-	1,617
	<u>1,260</u>	<u>3,027</u>

The company has investments in the following entities

	Country of incorporation or principal business address	% Holding of Ordinary Shares	Activity
BNP Paribas Real Estate Facilities Management Limited	England	100%	Service
BNP Paribas Real Estate Investment Management Limited	England	100%	Service
BNP Paribas Real Estate Investment Management (UK) Limited	England	100%	Service
BNP Paribas Property Development UK Limited	England	100%	Service
BNP Paribas Business Assets Valuation	England	100%	Dormant
Pansh Dean Limited	England	100%	Dormant
Hill Woolhouse Limited	England	100%	Dormant

	Shares £'000
Cost/Valuation	
At 1 January 2012 (Restated)	3,027
Disposals	(1,767)
At 31 December 2012	<u>1,260</u>

The shares of Investment Property Databank Holdings Limited were sold on the 30 October 2012

Weatheralls Consultancy Services Limited was dissolved the 27 November 2012

The directors believe that the carrying value of the Investments is supported by their underlying net assets

Refer to Note 19 for details of 2011 restatement

Notes to the Financial Statements for the year ended (continued)

31 December 2012

11 Debtors

	2012	2011
	£'000	£'000
Amounts falling due within one year		
Group loan	-	2,000
Trade debtors	15,025	15,286
Amounts owed by group undertakings	770	1,832
Corporation tax receivable	845	1,500
Other debtors	467	1,852
Prepayments and accrued income	2,044	1,029
	<u>19,151</u>	<u>23,499</u>
Amounts falling due after one year		
Amounts due from group undertakings	30	30
	<u>19,181</u>	<u>23,529</u>

12 Creditors

	2012	Restated 2011
	£'000	£'000
Amounts falling due within one year		
Group loan	8,500	5,000
Trade creditors	826	1,037
Amounts owed to group undertakings	402	563
Other Taxation and social security	3,184	4,416
Other creditors	1,032	2,792
Deferred consideration	-	2,500
Accruals and deferred income (Restated)	5,075	6,692
	<u>19,019</u>	<u>23,000</u>

At 31 December 2012, the company had an average of 19 (2011 23) days purchases outstanding in trade creditors

A Group revolving credit facility of €12m is available for immediate drawdown, of which £8.5m has been drawn at 31 December 2012 (2011 £5m). The loan is annually reviewed and interest rate is charged at LIBOR plus 36 basis points

The litigation provision of £360k included within Accruals and Deferred Income has been restated in the note 13 Provisions for liabilities. Refer to Note 19 for details of 2011 restatement

Notes to the Financial Statements for the year ended (continued)

31 December 2012

13 Provisions for liabilities

	Annuity provision	Pension provision	Litigation provision	Restructuring provision	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2012 (Restated)	700	622	360	1,983	3,665
Increase / (Decrease) in provision during the year	68	933	240	(175)	1,066
Utilised in the year	(67)	-	(200)	(1,808)	(2,075)
At 31 December 2012	<u>701</u>	<u>1,555</u>	<u>400</u>	<u>-</u>	<u>2,656</u>

The annuity provision relates to the actuarial value of annuities payable to the wives of former partners of the Weatherall Green and Smith partnership. This was revalued at 31 December 2012. The pension provision relates to the pension deficit on the defined benefit pension scheme (note 18).

The litigation provision is linked to the risk that a legal action might be or is currently taken against the company. Refer to Note 19 for details of 2011 restatement.

A one-off restructuring provision was recognised in 2011 relating to the reorganisation of its UK business. Refer to note 2 for more detail concerning the exceptional items.

14 Called-up share capital

	2012 £'000	2011 £'000
<i>Authorised</i>		
7,850,000 ordinary shares of £1 each	<u>7,850</u>	<u>7,850</u>
<i>Allotted, called-up and fully-paid</i>		
7,850,000 ordinary shares of £1 each	<u>7,850</u>	<u>7,850</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

15 Reserves

	Share premium account £'000	Capital reduction reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2012 (Restated)	30,000	12,804	1,315	(5,548)	38,571
Capital reduction	(10,000)	-	-	10,000	-
Retained loss for the year	-	-	-	(2,827)	(2,827)
Increase in pension deficit	-	-	-	(1,478)	(1,478)
Deferred tax on pension deficit	-	-	-	256	256
Sale of investments	-	-	(1,315)	1,315	-
Reserves transfer	-	(1,629)	-	1,629	-
At 31 December 2012	<u>20,000</u>	<u>11,175</u>	<u>-</u>	<u>3,347</u>	<u>34,522</u>

On 12 June 2001, the company undertook a capital reduction and transferred £30m from the share premium account to a newly created capital reduction reserve. As the goodwill arising on the acquisition of the Weatherall Green & Smith partnership is amortised, a corresponding part of the capital reduction reserve can be regarded as having been realised, and is accordingly transferred to the profit and loss account as a distributable reserve.

During the year, the company transferred £10m from its Share premium account to the Profit and Loss account by way of a capital reduction.

Refer to Note 19 for details of 2011 restatement

16 Reconciliation of movements in shareholders' funds

	2012 £'000	Restated 2011 £'000
Loss for the financial year	(2,827)	(3,239)
Issue of shares	-	1,200
Pension actuarial loss	(1,478)	(829)
Deferred tax on pension actuarial loss	256	207
Goodwill prior year restatement	-	(957)
Investment prior year restatement	-	(374)
Net reduction to shareholders' funds	<u>(4,049)</u>	<u>(3,992)</u>
Opening shareholders' funds	<u>46,421</u>	<u>50,413</u>
Closing shareholders' funds	<u>42,372</u>	<u>46,421</u>

Refer to Note 19 for details of 2011 restatement

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

17 Financial commitments

Annual commitments under non-cancellable operating leases at 31 December are as follows

	2012			2011			
	Property £'000	Other £'000	Total £'000	Property £'000	Vehicles £'000	Other £'000	Total £'000
Expiry date							
- within one year	13	17	30	238	2	34	274
- between two and five years	460	178	638	311	-	245	556
- more than five years	410	-	410	493	-	-	493
	<u>883</u>	<u>195</u>	<u>1,078</u>	<u>1,042</u>	<u>2</u>	<u>279</u>	<u>1,323</u>

18 Pension arrangements

Throughout the year BNP Paribas Real Estate Advisory & Property Management UK Limited provided pension arrangements for the majority of eligible full time employees through the pension schemes outlined below

From 1 May 2000 a defined contribution scheme was introduced and made available to all staff who are over 25 years of age but not of retirement age. The pension charge for the year to 31 December 2012 was £1,866,000 (2011 £2,222,000), which was equal to the cash contributions paid. There were no outstanding or prepaid contributions at 31 December 2012.

The company continues to maintain a defined benefit pension scheme. On 30 April 2000 this scheme was closed to new employees. On 30 September 2006 this scheme was frozen with no further contributions to be made by employees. The company made no contributions into the fund during 2012 and expects to make no contributions in the year ending 31 December 2013.

The assets of the scheme are held in a fund separately from those of the company. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the Attained Age method. The most recent formal actuarial valuation was carried out at 1 May 2011 and the results of that valuation have been projected to 31 December 2013 by a qualified independent actuary.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

The amounts recognised in the balance sheet are as follows

	2012	2011
	£'000	£'000
Present value of scheme liabilities	(52,105)	(48,549)
Fair value of scheme assets	50,086	47,720
Deficit in the scheme	(2,019)	(829)
Effect of surplus cap	-	-
Net liability	(2,019)	(829)
Deferred tax asset	464	207
Net liability	(1,555)	(622)

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows

	2012	2011
	£'000	£'000
Amount recognised during the year	(1,478)	(829)

The amounts recognised in the profit and loss account are as follows

	2012	2011
	£'000	£'000
Interest cost	(2,244)	(2,403)
Expected return on scheme assets	2,533	2,403
Total P&L credit	289	-

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

Principal Actuarial Assumptions

	2012	2011
Inflation assumption	3.10%	2.50%
Rate of increase in salaries	4.10%	4.00%
Increases for pensions in payment (LPI)	3.00%	2.50%
Retail Price Inflation	3.10%	2.50%
Consumer Price Index – Revaluation of deferred pensions	2.10%	2.00%
Liability discount rate	4.60%	4.70%
Expected return on assets	5.30%	5.40%
Proportion of employees opting for early retirement	100%	100%
* It is assumed that all members retire at age 64		
Proportion of employees' pension commuted for cash	25%	25%
Future expected lifetime of current pensioner at age 65		
Male born in 1947	23.0	22.9
Female born in 1947	26.3	26.2
Future expected lifetime of future pensioner at age 65		
Male born in 1967	24.9	24.8
Female born in 1967	28.4	28.3

The assets in the scheme and the expected rates of return are

	2012	2012	2011	2011
	%	£'000	%	£'000
Equities & Property	7.00%	25,314	7.00%	26,225
Bonds	4.60%	12,293	4.70%	10,517
Gilts	2.70%	12,340	2.50%	10,776
Cash	0.50%	139	0.50%	202
Total market value of assets		<u>50,086</u>		<u>47,720</u>

The scheme has no investments in the company or in property occupied by the company

Reconciliation of Assets

	2012	2011
	£'000	£'000
At 1 January 2012	47,720	47,164
Expected Return on Assets	2,533	2,403
Actuarial Gain/(Loss)	1,468	(855)
Employer Contributions	-	-
Benefits Paid	(1,635)	(992)
At 31 December 2012	<u>50,086</u>	<u>47,720</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended (continued)

31 December 2012

Reconciliation of Liabilities	2012	2011
	£'000	£'000
At 1 January 2012	(48,549)	(44,990)
Interest Cost	(2,245)	(2,403)
Actuarial Gain due to change in assumptions	(2,925)	(2,069)
Other Actuarial Gain	(21)	(79)
Benefits Paid	1,635	992
At 31 December 2012	<u>(52,105)</u>	<u>(48,549)</u>

The company expects to make no contributions to the Scheme during the year ending 31 December 2013

Analysis of amount recognised in the statement of total recognised gains and losses

	2012	2011
	£'000	£'000
Actual return less expected return on pension scheme assets	1,468	(855)
Experience gains and losses arising on the scheme liabilities	(21)	(79)
Changes in assumptions	(2,925)	(2,069)
Actuarial Loss recognised	<u>(1,478)</u>	<u>(3,003)</u>
Adjustment due to surplus cap	-	2,174
Actuarial Loss recognised in STRGL	<u>(1,478)</u>	<u>(829)</u>

History of experience gains and losses

	2012	2011	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Scheme Liabilities	(52,105)	(48,549)	(44,990)	(43,070)	(34,627)
Scheme Assets	50,086	47,720	47,164	43,426	40,036
(Deficit)/Surplus in the scheme	(2,019)	(829)	2,174	356	5,409

Difference between expected and actual values of scheme liabilities

Amount	(21)	(79)	1,025	548	(2,510)
% of liabilities	0%	0%	(2%)	(1%)	7%

Difference between expected and actual returns on scheme assets

Amount	1,468	(855)	2,124	2,052	(2,489)
% of assets	3%	(2%)	5%	5%	(6%)

Total amount recognised in the statement of total recognised gains and losses

Amount	(1,478)	(829)	-	-	(5,024)
% of assets	3%	2%	0%	0%	15%

Notes to the Financial Statements for the year ended (continued)

31 December 2012

19 Restatement of 2011 Financial Statements**Profit and Loss Account**

	Restatement	2011 £'000
Loss for the financial year		(2,954)
Goodwill amortisation restatement	1	(285)
Restated loss for the financial year		(3,239)

Restatement 1 The impact of the restatement amounts to £285k and represents the Goodwill amortisation for 2011

Balance Sheet

	Restatement	Restated 2011 £'000	2011 £'000
Intangible assets	2	40,447	35,988
Investments	2	3,027	9,102
Creditors amounts falling due within one year	3	(23,000)	(23,360)
Provisions for liabilities	3	(3,665)	(3,305)
Profit and loss reserves	2	(5,548)	(3,932)

Profit and Loss Reserves

	Restatement	2011 £'000
Profit and loss reserves		(3,932)
Goodwill amortisation restatement	2	(1,616)
Restated profit and loss reserves	2	(5,548)

Restatement 2 Investments of £6,075m relating to historic acquisitions have been restated in Goodwill and amortised accordingly (£1 242k relates to Goodwill amortisation, of which £285k is 2011 and £957k relates to prior years, £374k relates to impairment of investment value prior to restatement as Goodwill) The total impact related to this restatement is (£1,616k)

Restatement 3 The litigation provision of £360k included within Accruals and Deferred Income in 2011 has been reclassified in the Provisions for Liabilities

Notes to the Financial Statements for the year ended (continued)

31 December 2012

20 Ultimate controlling party

As at 31 December 2012, BNP Paribas Real Estate Advisory & Property Management UK Limited was 100% owned by BNP Paribas Real Estate SAS. BNP Paribas Real Estate SAS is 100% owned by BNP Paribas SA.

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 results 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.

21 Subsequent events

No subsequent events have been identified.