

BNP Paribas Real Estate Advisory & Property Management UK Limited

Annual report and financial statements for the year to 31 December 2014

Registered number: 04176965

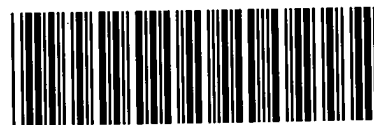
Registered office:

5 Aldermanbury Square

London

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BNP Paribas Real Estate Advisory & Property Management UK Limited

Annual report and financial statements for the year to 31 December 2014

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BNP Paribas Real Estate Advisory & Property Management UK Limited

Strategic Report (Company No: 04176965)

For the year ended 31 December 2014

The directors present their strategic report of the company for the year to 31 December 2014.

Principal activities

The principal activity of the company is that of Chartered Surveyors providing comprehensive and integrated property related advice and services (both transactional and advisory) to clients.

Strategic Report and Business review

The directors present their strategic report on the company for the year ending 31 December 2014.

The company achieved a turnover of £62,884,667 (2013: £61,033,116) which represented an increase of 3% over the previous year.

The increase in turnover, together with improved economic conditions, reflects the company's ongoing UK growth strategy with the continued recruitment of senior experts in key positions across business lines along with the embedding of the recruits from 2013 within the business. The successful '*Game Changer*' campaign, which launched in March 2013, has now evolved into '*the real estate adviser for a changing world*' campaign which is allied to BNP Paribas SA's own brand, highlighting our bank ownership USP, and has provided a leading platform for our experts to win business and deliver deals in the marketplace.

The UK business continues to work closely with European and International offices to take advantage of the company's market leading position, particularly in international investment, which resulted in securing a number of successful instructions. The platforms set up by BNP Paribas in Asia and the Middle East in 2013 have helped us bring investment to the UK. The Real Estate Group has confirmed that the UK continues to be a priority for growth and that it shares the company's ambition to be a major player, offering all services throughout the real estate lifecycle – something no other adviser can do.

In 2014, the advisory side of the company achieved its aim of balancing its business between transactional and professional services. Going forward, the aim is to grow the whole business but retain this 50:50 balance. Investment and agency in particular grew their turnover substantially in 2014, along with residential agency, which is considered to be a significant area of growth for the company.

The company has embraced a greater business development and client targeting culture which has led to some high profile new clients and the growth of certain accounts through cross selling between the business lines.

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

BNP Paribas Real Estate Advisory & Property Management UK Limited

Strategic Report (Company No: 04176965) (continued)

For the year ended 31 December 2014

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 organic growth and through targeted acquisitions. 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 function has responsibility for, and reports regularly on, the risks facing the company and the mitigating actions taken in order to manage them.

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 and strategic risks

The property market is cyclical by nature, being affected by a variety of economic factors. It is also highly competitive, and as a consequence any economic downturn directly affects the company's revenues and cashflows. The company's strategy of maintaining and seeking to grow its diverse range of business lines in a balanced way, in particular through maintaining the 50:50 split between transactional and professional services assists in the mitigation of, but will not eliminate entirely, this risk. The company also endeavours to mitigate this risk through a combination of high client service standards 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. The company maintains detailed service procedures in each of its business lines and 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 throughout 2014 it 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.

Key Performance Indicators

The recruitment of key people continued in 2014, with over 55 senior people recruited over the last 3 years. Our Graduate intake has increased by 50% since last year. Our plan includes a focus on the professional services business. Key recruits include new senior directors in Corporate Real Estate, Valuation, and a new head of our Birmingham office.

	2014	2013
Turnover per employee	£168k	£155k
Gross profit margin	29%	29.7%
Operating profit margin	3.7%	3.5%
Debtors collection period	57 days	56 days
Asset turnover	1.1 times	1.5 times

BNP Paribas Real Estate Advisory & Property Management UK Limited

Strategic Report (Company No: 04176965) (continued)

For the year ended 31 December 2014

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

5 Aldermanbury Square

London

EC2V 7BP

17 March 2015

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

Matthew Gasser, Company Secretary

BNP Paribas Real Estate Advisory & Property Management UK Limited

Directors' Report

For the year ended 31 December 2014

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditors' report, for the year to 31 December 2014.

Results and dividends

The audited financial statements for the year ended 31 December 2014 are set out on pages 11 to 30. The operating profit before goodwill amortisation for the year was £2,339k (2013: £2,140k). The profit for the financial year was £12,763k (2013: loss £1,110k). The directors propose a final dividend for the year of £15,618k (2013: £719k).

The company made charitable donations in the year of £4,962 (2013: £4,710).

Directors

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

J M T Slade

P Abrey

M England

H Faure

D Moerenhout (resigned 14th March 2014)

S Bailey (appointed 17th March 2014 and resigned 27th June 2014)

S Williams (appointed 17th March 2014)

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 adjustments are made and training is provided. 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 2014, the company had an average of 39 (2013: 23) days' purchases outstanding in trade creditors.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Directors' Report

For the year ended 31 December 2014

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.

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.

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 and the consent of its Parent, 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 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.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Directors' Report

For the year ended 31 December 2014

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
ENGLAND

By order of the board

A handwritten signature in black ink, appearing to read 'Matthew Gasser', written over a horizontal line.

Matthew Gasser
Company Secretary

17 March 2015

BNP Paribas Real Estate Advisory & Property Management UK Limited

Statement of Directors' responsibilities

For the year ended 31 December 2014

The directors are responsible for preparing the Strategic Report, 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 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 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Independent Auditors' report

For the year ended 31 December 2014

Report on the financial statements

Our opinion

In our opinion, BNP Paribas Real Estate Advisory & Property Management UK 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 2014 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.

What we have audited

BNP Paribas Real Estate Advisory & Property Management UK Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account and Statement of Total Recognised Gains and Losses for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

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.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Independent Auditors' report

For the year ended 31 December 2014

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, 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.

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.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Independent Auditors' report

For the year ended 31 December 2014

In addition, we read all the financial and non-financial information in the Annual Report and financial statements for the year to 31 December 2014 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.



Philip Tew (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 March 2015

BNP Paribas Real Estate Advisory & Property Management UK Limited

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	1	62,885	61,033
Cost of sales		(44,619)	(42,924)
Gross Profit		18,266	18,109
Operating expenses		(19,217)	(19,259)
Operating loss		(951)	(1,150)
Operating profit before goodwill amortisation		2,339	2,140
Goodwill amortisation		(3,290)	(3,290)
Operating loss		(951)	(1,150)
Exceptional items	2	9,456	-
Income from shares in group undertakings		5,767	719
Income from other fixed asset investments		255	-
Interest receivable and similar income	3	658	188
Interest payable and similar charges	3	(108)	(120)
Profit / (Loss) on ordinary activities before taxation	4	15,077	(363)
Tax on Profit / (Loss) on ordinary activities	7	(2,314)	(747)
Profit / (Loss) for the financial year	16	12,763	(1,110)

All profits / (losses) are derived from continuing operations in both the current and preceding year.

There is no difference between the profit / (loss) for the years and the profit / (loss) prepared on a historical cost basis.

The notes on pages 17 to 30 are an integral part of these financial statements

BNP Paribas Real Estate Advisory & Property Management UK Limited

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Profit / (Loss) for the financial year		12,763	(1,110)
Pension actuarial loss	18	(1,599)	(596)
Deferred taxation on pension actuarial loss		266	8
Total recognised gains and losses		11,430	(1,698)

The notes on pages 17 to 30 are an integral part of these financial statements.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Balance Sheet

31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	8	30,577	33,867
Tangible assets	9	3,254	3,361
Investments	10	1,260	1,260
		<u>35,091</u>	<u>38,488</u>
Current assets			
Unbilled receivables		1,322	1,250
Debtors	11	36,536	24,694
Deferred tax	7	568	525
Cash at bank and in hand		3,690	1,320
		<u>42,116</u>	<u>27,789</u>
Current liabilities			
Creditors amounts falling due within one year	12	(22,142)	(22,556)
Net current assets		<u>19,974</u>	<u>5,233</u>
Total assets less current liabilities		55,065	43,721
Provisions for liabilities	13	(726)	(1,157)
Pension liability	18	(2,954)	(1,890)
Net Assets		<u>51,385</u>	<u>40,674</u>
Capital and reserves			
Called up share capital	14	7,850	7,850
Share premium account	15	20,000	20,000
Other reserves	15	7,917	9,546
Profit and loss account	15	15,618	3,278
Total shareholders' funds	16	<u>51,385</u>	<u>40,674</u>

The notes on pages 17 to 30 are an integral part of these financial statements.

The financial statements on pages 11 to 30 were approved by the Board of Directors on the 17 March 2015 and signed on its behalf.

John Slade

17 March 2015

BNP Paribas Real Estate Advisory & Property Management UK Limited

Accounting Policies

31 December 2014

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 Strategic Report on pages 1 to 3. 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

Unless where otherwise stated, 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 2014

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	25% per annum, straight line
Office Equipment – Other	25% per annum, straight line
Assets in Progress	Not applicable

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:

- i) 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
- ii) 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.

Accounting Policies (continued)

31 December 2014

Turnover

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

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.

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended

31 December 2014

1 Turnover

Turnover of £62,884,667 (2013: £61,033,116), 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

The company planned to move its head office to new office space in 2015. Following discussions with various parties the company assigned its agreement for lease on 22 December 2014 to a third party resulting in the exceptional item. As a result the company will remain at their current headquarters at 5 Aldermanbury Square.

3 Net finance income

	2014 £'000	2013 £'000
Interest receivable & similar income		
- bank interest	39	1
- other interest	619	187
Total interest receivable & similar income	658	188
Interest payable & similar charges		
- group company loan	(22)	(76)
- bank charges	(86)	(44)
Total interest payable & similar charges	(108)	(120)
Net Finance income	550	68

4 Profit/ (Loss) on ordinary activities before taxation

Profit/ (Loss) on ordinary activities before taxation is stated after charging:

	2014 £'000	2013 £'000
Operating lease rentals		
- plant and machinery	-	5
- other	472	499
Depreciation of tangible fixed assets	1,160	1,021
Amortisation of goodwill	3,290	3,290
Fees payable to the company's auditors for the audit of the company's financial statements	83	81
Fees charged for the audit of subsidiary undertakings pursuant to legislation	6	6

BNP Paribas Real Estate Advisory & Property Management UK Limited

Notes to the Financial Statements for the year ended

31 December 2014

5 Staff costs

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

	2014	2013
Professional	382	393
Administration	112	113
	<u>494</u>	<u>506</u>

Their aggregate remuneration comprised:

	£'000	£'000
Wages and salaries	38,052	36,408
Redundancy costs	647	654
Social security costs	3,167	3,245
Other pension costs	2,013	1,767
	<u>43,879</u>	<u>42,074</u>

During the year the amount of £3m was included within wages and salaries in relation to employee benefit costs, the previous year the amount was £2.8m.

6 Directors' remuneration and transactions

Remuneration

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

	2014	2013
	£'000	£'000
Emoluments	1,795	1,113
Benefits in kind	39	94
Company contributions to Defined Contribution Schemes	94	72
Private pension	13	15
	<u>1,941</u>	<u>1,294</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

Pensions

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

	2014	2013
Defined Contribution Schemes	4	5

Highest-paid director

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

	2014 £'000	2013 £'000
Total emoluments	597	380
Contributions made in respect of money purchase schemes	19	23

7 Tax on profit/ (loss) on ordinary activities

a) The tax charge is made up as follows:

	2014 £'000	2013 £'000
Current tax		
Continuing operations	2,343	-
Adjustments in respect of prior years	14	45
	<u>2,357</u>	<u>45</u>
Deferred tax		
Continuing operations	190	455
Adjustments in respect of prior years	(233)	87
Change in tax rate	-	160
	<u>2,314</u>	<u>747</u>

The tax assessed for the year is lower (2013: higher) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%).

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

b) Factors affecting the current tax charge:

Profit/ (Loss) on ordinary activities before taxation	15,077	(363)
Profit/ (Loss) on ordinary activities multiplied by full UK rate 21.5% (2013: 23.25%)	3,241	(84)
Taxable capital gain	-	-
Expenses not deductible for tax purposes	569	743
Non-taxable income	(1,295)	(167)
Adjustments in respect of prior years	14	45
Losses brought forward	(399)	(435)
Depreciation in excess of capital allowances	258	48
Short term timing differences	(31)	(105)
Total current tax charge	2,357	45

c) Deferred tax

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

Accelerated depreciation	308	83
Other timing differences	260	442
Deferred tax debtor	568	525

£'000

As at 1 January 2014	525
Charge to profit and loss account	(190)
Adjustment in respect of prior year	233
As at 31 December 2014	568

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

8 Intangible fixed assets – Goodwill

	£'000
Cost	
At 1 January 2014 and 31 December 2014	65,772
Accumulated amortisation	
At 1 January 2014	31,905
Charge for the year	3,290
At 31 December 2014	<u>35,195</u>
Net book value	
At 31 December 2013	33,867
At 31 December 2014	<u>30,577</u>

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 2014	277	4,325	189	857	5,648
Additions	-	-	-	1,308	1,308
Transfers	118	1,046	85	(1,249)	-
Disposals	-	(15)	-	(252)	(267)
At 31 December 2014	<u>395</u>	<u>5,356</u>	<u>274</u>	<u>664</u>	<u>6,689</u>
Accumulated depreciation					
At 1 January 2014	(276)	(1,928)	(83)	-	(2,287)
Charge for the year	(18)	(1,079)	(63)	-	(1,160)
Transfers	-	38	(38)	-	-
Disposals	-	12	-	-	12
At 31 December 2014	<u>(294)</u>	<u>(2,957)</u>	<u>(184)</u>	<u>-</u>	<u>(3,435)</u>
Net book value					
At 31 December 2013	1	2,397	106	857	3,361
At 31 December 2014	<u>101</u>	<u>2,399</u>	<u>90</u>	<u>664</u>	<u>3,254</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

10 Investments

	2014	2013
	£'000	£'000
Subsidiary undertakings	1,260	1,260
	<u>1,260</u>	<u>1,260</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
Parish Dean Limited	England	100%	Dormant
Hill Woolhouse Limited	England	100%	Dormant

	Shares £'000
Cost/Valuation:	
At 1 January 2014	1,260
At 31 December 2014	<u>1,260</u>

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

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

11 Debtors

	2014	2013
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	21,093	19,986
Amounts owed by group undertakings	11,563	744
Corporation tax receivable	-	596
Other debtors	758	1,190
Prepayments and accrued income	2,442	1,847
	<u>35,856</u>	<u>24,363</u>
Amounts falling due after one year:		
Amounts owed by group undertakings	680	331
	<u>36,536</u>	<u>24,694</u>

12 Creditors amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts falling due within one year:		
Loan amounts owed to group undertakings	-	6,250
Trade creditors	1,751	959
Amounts owed to group undertakings	1,203	1,374
Corporation tax payable	2,057	-
Other Taxation and social security	4,261	4,268
Other creditors	683	653
Accruals and deferred income	12,187	9,052
	<u>22,142</u>	<u>22,556</u>

At 31 December 2014, the company had an average of 39 (2013:23) days purchases outstanding in trade creditors.

A Group revolving credit facility of £11.5m is available for immediate drawdown, of which £nil has been drawn at 31 December 2014 (2013: £5.5m). The loan is reviewed annually and interest rate is charged at LIBOR plus 36 basis points.

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

13 Provisions for liabilities

	Annuity provision	Pension provision	Litigation provision	Total
	£'000	£'000	£'000	£'000
At 1 January 2014	689	1,890	468	3,047
Increase in provision during the year	58	1,064	-	1,122
Utilised in the year	(71)	-	(418)	(489)
At 31 December 2014	<u>676</u>	<u>2,954</u>	<u>50</u>	<u>3,680</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 2013. The pension provision relates to the pension deficit on the defined benefit pension scheme (note 17).

The litigation provision is linked to the risk that a legal action might be or is currently being taken against the company. In the normal course of business, the company receives a number of claims against it, the impact of which is not expected to be material to the financial statements.

14 Called-up share capital

	2014 £'000	2013 £'000
<i>Authorised</i>		
7,850,000 ordinary shares of £1 each (2013: 7,850,000)	<u>7,850</u>	<u>7,850</u>
<i>Allotted, called-up and fully-paid</i>		
7,850,000 ordinary shares of £1 each (2013: 7,850,000)	<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 2014

15 Reserves

	Share premium account £'000	Other reserves £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	20,000	9,546	-	3,278	32,824
Retained profit for the year	-	-	-	12,763	12,763
Dividend paid	-	-	-	(719)	(719)
Increase in pension deficit	-	-	-	(1,599)	(1,599)
Deferred tax on pension deficit	-	-	-	266	266
Reserves transfer	-	(1,629)	-	1,629	-
At 31 December 2014	<u>20,000</u>	<u>7,917</u>	<u>-</u>	<u>15,618</u>	<u>43,535</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.

16 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit/ (Loss) for the financial year	12,763	(1,110)
Dividend paid	(719)	-
Pension actuarial loss	(1,599)	(596)
Deferred tax on pension actuarial loss	266	8
Net reduction to shareholders' funds	<u>10,711</u>	<u>(1,698)</u>
Opening shareholders' funds	<u>40,674</u>	<u>42,372</u>
Closing shareholders' funds	<u>51,385</u>	<u>40,674</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

17 Financial commitments

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

	2014			2013		
	Land and buildings	Other	Total	Land and buildings	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expiry date						
- within one year	13	96	109	27	33	60
- between two and five years	600	143	743	412	195	607
- more than five years	493	-	493	493	-	493
	<u>1,106</u>	<u>239</u>	<u>1,345</u>	<u>932</u>	<u>228</u>	<u>1,160</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 2014 was £2,013k (2013: £1,767k), which was equal to the cash contributions paid. There were no outstanding or prepaid contributions at 31 December 2014.

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 2014 and expects to make no contributions in the year ending 31 December 2015.

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 2014 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 2014

The amounts recognised in the balance sheet are as follows:

	2014 £'000	2013 £'000
Present value of scheme liabilities	(64,713)	(56,440)
Fair value of scheme assets	61,020	54,078
Deficit in the scheme	<u>(3,693)</u>	<u>(2,362)</u>
Net liability	(3,693)	(2,362)
Deferred tax asset	739	472
Net liability	<u>(2,954)</u>	<u>(1,890)</u>

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

	2014 £'000	2013 £'000
Amount recognised during the year	(1,599)	(596)

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

	2014 £'000	2013 £'000
Interest cost	(2,511)	(2,369)
Expected return on scheme assets	2,779	2,622
Total profit and loss account credit	<u>268</u>	<u>253</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

Principal Actuarial Assumptions

	2014	2013
Inflation assumption	3.10%	3.40%
Rate of increase in salaries	4.10%	4.40%
Increases for pensions in payment (LPI)	3.10%	3.20%
Retail Price Inflation	3.10%	3.40%
Consumer Price Index – Revaluation of deferred pensions	2.10%	2.40%
Liability discount rate	3.60%	4.50%
Expected return on assets	3.60%	5.20%
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:	23.4	23.0
Female born in 1947:	25.3	26.3
Future expected lifetime of future pensioner at age 65:		
Male born in 1967:	24.7	24.9
Female born in 1967:	26.8	28.4

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

	2014	2014	2013	2013
	%	£'000	%	£'000
Equities & Property	3.60%	25,680	7.00%	24,456
Bonds	3.60%	15,327	4.50%	12,648
Gilts	3.60%	18,331	2.70%	14,748
Cash	3.60%	1,682	0.50%	2,226
Total market value of assets		<u>61,020</u>		<u>54,078</u>

The scheme has no investments in the company or in Land and buildings occupied by the company.

Reconciliation of Assets

	2014	2013
	£'000	£'000
At 1 January 2014	54,078	50,086
Expected Return on Assets	2,779	2,622
Actuarial Gain	5,447	2,594
Benefits Paid	(1,284)	(1,224)
At 31 December 2014	<u>61,020</u>	<u>54,078</u>

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

Reconciliation of Liabilities	2014	2013
	£'000	£'000
At 1 January 2014	(56,440)	(52,105)
Interest Cost	(2,511)	(2,369)
Actuarial loss due to change in assumptions	(7,964)	(3,166)
Other Actuarial gain/ (loss)	918	(24)
Benefits Paid	1,284	1,224
At 31 December 2014	<u>(64,713)</u>	<u>(56,440)</u>

The company expects to make no contributions to the Scheme during the year ending 31 December 2015.

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

	2014	2013
	£'000	£'000
Actual return less expected return on pension scheme assets	5,447	2,594
Experience gains and losses arising on the scheme liabilities	918	(24)
Changes in assumptions	(7,964)	(3,166)
Actuarial Loss recognised in statement of total recognised gains and losses	<u>(1,599)</u>	<u>(596)</u>

History of experience gains and losses:

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Scheme Liabilities	(64,713)	(56,440)	(52,105)	(48,549)	(44,990)
Scheme Assets	61,020	54,078	50,086	47,720	47,164
(Deficit)/Surplus in the scheme	(3,693)	(2,362)	(2,019)	(829)	2,174

Difference between expected and actual values of scheme liabilities

Amount	918	(24)	(21)	(79)	1,025
% of liabilities	(1%)	0%	0%	0%	(2%)

Difference between expected and actual returns on scheme assets

Amount	5,447	2,594	1,468	(855)	2,124
% of assets	9%	5%	3%	(2%)	5%

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

Amount	(1,599)	(596)	(1,478)	(829)	-
% of assets	(2%)	(1%)	(3%)	(2%)	0%

BNP Paribas Real Estate Advisory & Property Management UK Limited

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

31 December 2014

19 Ultimate controlling party

As at 31 December 2014, 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 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.

20 Subsequent events

No subsequent events have been identified.