

FACEO FM UK LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2017

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28/09/2018

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COMPANIES HOUSE

FACEO FM UK LIMITED

Company Information

DIRECTORS

R Murphy
A Raikes

SECRETARY

J-P Bonnet

REGISTERED OFFICE

Astral House
Imperial Way
Watford
Hertfordshire
WD24 4WW

REGISTERED NUMBER

01213106

AUDITOR

KPMG LLP
15 Canada Square
London
E14 5GL

BANKER

National Westminster Bank Plc
P O Box 2DG
208 Piccadilly
London
W1A 2DG

Principal activity and business review

The principal activity of the company is the provision of facilities management services.

As part of a strategic initiative to bring together the VINCI group's facilities management operations in the UK, the company was transferred to VINCI Construction UK Limited at the beginning of 2016. The company is now a wholly owned subsidiary of VINCI Construction UK Limited and operates within its Facilities division.

Principal Risks and Uncertainties

The continued success of the Company depends upon the Management's ability to identify and manage risks which are inherent in the type of activity we are engaged in. These risks fall into specific areas, all of which have the potential to impact on the success of the Company.

- **Financial Risk**

The principal financial risks that we face are associated with our ability to properly estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling the ability to recover costs under the payment terms of all contracts, and the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us.

The Company controls these risks in a number of ways. The Company is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration.

- **Health and Safety**

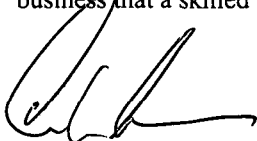
The Company recognises the importance of the health and safety of all those employed in its offices and sites and operates policies to ensure that the risks associated with accidents and health are properly managed and controlled.

- **The Environment**

The Company recognises the importance of minimising the impact on the environment and is pro-actively managing this. Procedures are in place to measure and manage outputs and to set targets for reduction.

- **Human Resources**

The Company's employees are its most important resource. It is essential to the future success of the business that a skilled and motivated workforce is retained.



A Raikes
Director

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2017.

Results and dividends

The profit for the financial year amounted to £717,000 (2016: £123,000). No dividends were paid during the year (2016: £nil). The Directors do not propose the payment of a final dividend.

Directors

The present Directors of the Company and the directors who served during the year were are stated on page 1.

Indemnity provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue to trade as a going concern.

Employees

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Group which are within their capabilities. It is the Company's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

Communication and involvement

The Directors recognise the importance of good communications with the Company's employees and informing and consulting with them on a regular basis of the performance and objectives of the Company. This is mainly through regular meetings, personal appraisals and e-mail communications.

When practical, employees have the opportunity to participate in VINCI share savings schemes.

Health and safety

Health and safety issues figure prominently at Board level to ensure, as far as possible, the prevention of health risks or accidents to employees, contractors, sub-contractors, members of the public or any other persons who may come into contact with the Company's activities. Health and safety consultative committees operate at all levels and an annual report is produced highlighting trends and statistics in this vital area. The Company is proud of, but not complacent about, its safety record.

Disclosure of information to the auditor

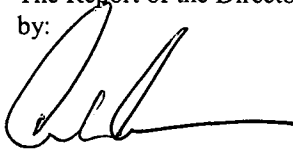
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The Report of the Directors was approved by the Board on 27th September 2018 and signed on its behalf by:



A Raikes
Director
Company Registered Number 01213106

REGISTERED OFFICE

Astral House
Imperial Way
Watford
Hertfordshire
WD24 4WW

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Opinion

We have audited the financial statements of Faceo FM UK Limited for the year ended 31st December 2017 which comprise the income statement, the statement of financial position sheet and related notes, including the accounting policies note.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date- 28/9/18

FACEO FM UK LIMITED

Income Statement
For the year ended 31st December 2017

	Notes	2017 £000	2016 £000
Revenue	1	5,796	7,557
Cost of sales		(4,724)	(6,538)
Gross profit		1,072	1,019
Administrative expenses		(355)	(890)
Profit from operating activities	2	717	129
Net financial expense	4	-	(6)
Profit before tax		717	123
Taxation	5	-	-
Profit for the period	11	717	123

There have been no recognised gains or losses in the current or preceding financial year other than as stated above and consequently no statement of total recognised gains and losses has been presented.

The accompanying notes form part of the financial statements.

FACEO FM UK LIMITED

Statement of Financial Position
At 31st December 2017

	Notes	2017 £000	2016 £000
Non-current assets			
Intangible assets		-	-
Tangible assets	6	-	-
		<hr/>	<hr/>
		-	-
Current assets			
Trade and other receivables	7	1,631	1,822
Cash and cash equivalents		807	1,244
		<hr/>	<hr/>
		2,438	3,066
		<hr/>	<hr/>
Total assets		2,438	3,066
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	8	1,518	2,863
		<hr/>	<hr/>
Total Liabilities		1,518	2,863
		<hr/>	<hr/>
Net assets		920	203
		<hr/>	<hr/>
Equity attributable to parent			
Called up share capital	9	6,600	6,600
Capital redemption reserve	10	4,667	4,667
Profit and loss account	10	(10,347)	(11,064)
		<hr/>	<hr/>
Shareholders' funds	10	920	203
		<hr/>	<hr/>

The financial statements were approved by the Board on 27th September 2018 and signed on its behalf by:

The accompanying notes form part of the financial statements.



A Raikes
Director
Company registered number: 01213106

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2015/2016 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's parent undertaking VINCI PLC includes the Company in its consolidated financial statements. The consolidated financial statements of VINCI PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs") and are available to the public and may be obtained from the Company Secretary, VINCI PLC, Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- a Cash Flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of VINCI PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS2 Share Based Payments in respect of group settled share based payments

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements are prepared on the historical cost basis.

Turnover

Turnover is the total amount receivable by the Company in the ordinary course of business with outside customers for goods supplied and services provided excluding VAT and trade discounts. On long term contracts the estimated sales value of work performed in the year is included.

Foreign currency translations

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

Long term contracts

Long term contracts are those extending in excess of 12 months and of any shorter duration which are material to the activity of the period.

Amounts recoverable on contracts are included in debtors and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The margin on each contract is the lower of the margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims is taken into account.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses. No depreciation is provided on freehold land. The principal anticipated useful lives on a straight line basis are:

Plant and machinery	- from five to ten years
Fixtures and fittings	- from three to ten years

Pension contributions

Defined contribution plans:

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account in respect of the defined contribution pension plan is the cost relating to the accounting period.

Share-based payment transactions

The share option programme allows employees to acquire shares of the ultimate parent company; these awards are granted by the ultimate parent. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the length of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner or realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. Revenue

The principal activity of the Company is the provision of facilities management services. The Directors regard the whole of the activities of the Company as a single class of business.

2. Operating profit

This is stated after charging:

	2017 £000	2016 £000
Operating leases	61	93
Depreciation of tangible assets	-	2

Auditors remuneration for the audit of the 2017 financial statements amounted to £1,551.

Amounts receivable by the Company's auditor and associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements for 2017, has not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent VINCI PLC.

3. Employees

Faceo FM UK Limited has no employees. The employee costs reflected in these accounts have been recharged from VCUK.

(i) Staff costs during the year amounted to:

	2017 £000	2016 £000
Wages and salaries	1,235	1,452
Social security costs	118	131
Other pension costs (Note (ii))	24	29
	<u>1,377</u>	<u>1,612</u>

(ii) Pensions

Defined contribution pension scheme

The Company participates in the group defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £24,000 (2016: £29,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

(iii) Directors' remuneration

No director received remuneration (2016: None) in respect of their duties as directors of the company during the current financial year.

None of the directors (2016: None) was accruing retirement benefits in respect of qualifying services under the Group defined contribution scheme.

FACEO FM UK LIMITED

Notes to the Financial Statements (continued)
At 31st December 2017

4. Net Financial (expense)/income

	2017 £000	2016 £000
Financial income		
Bank interest	-	3
	<hr/>	<hr/>
Financial expenses		
Bank interest	-	-
Foreign exchange loss	-	(9)
	<hr/>	<hr/>
	-	(6)
	<hr/>	<hr/>

5. Tax on profit on ordinary activities

The taxation for the year comprised

	2017 £000	2016 £000
Current taxation	-	-
Deferred taxation -other	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>

Current tax reconciliation

	2017 £000	2016 £000
Profit/(loss) on ordinary activities before taxation	717	123
	<hr/>	<hr/>
Theoretical tax at UK corporation tax rate 19.25% (2016: 20%)	138	25
Effects of :		
Group relief surrender	-	44
Amortisation	(31)	(32)
Capital allowances in excess of depreciation	-	(37)
Losses utilised (no deferred tax recognised)	(107)	-
	<hr/>	<hr/>
Total tax	-	-
	<hr/>	<hr/>

Tax losses, accelerated capital allowances and other timing differences amounting to £14,795,000 (2016: £14,777,000) have been carried forward and give rise to a deferred tax asset amounting to £2,515,150 (2016: £2,512,000). However, this asset has not been recognised.

5. Tax on profit on ordinary activities (continued)

Reductions in the UK corporation tax from 20% to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the Group's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

6. Tangible assets

	Plant and machinery	Fixtures, fittings and office equipment	Motor Vehicles	Total
	£000	£000	£000	£000
Cost or valuation:				
At 1st January 2017 and 31st December 2017	93	668	1	762
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1st January 2017 and 31st December 2017	93	668	1	762
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31st December 2017	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 2016	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

FACEO FM UK LIMITED

Notes to the Financial Statements (continued)
at 31st December 2017

7. Trade and other receivables

	2017 £000	2016 £000
Trade debtors	1,306	728
Amounts recoverable on contract	190	877
Taxation and social security	-	118
Other debtors	-	99
Prepayments and accrued income	135	-
	<u>1,631</u>	<u>1,822</u>

8. Trade and other payables

	2017 £000	2016 £000
Trade creditors	92	87
Taxation and social security	26	-
Accruals and deferred income	1,391	2,776
Other creditors	9	-
	<u>1,518</u>	<u>2,863</u>

9. Share capital

	Allotted, called up and fully paid			
	2017 No.	2016 No.	2017 £	2016 £
Ordinary shares of £1 each	6,600,000	6,600,000	6,600,000	6,600,000

10. Reserves

	Profit and loss account £000	Capital redemption reserve £000	Total £000
At 1st January 2017	(11,064)	4,667	(6,397)
Profit for the year	717	-	717
At 31st December 2017	(10,347)	4,667	(5,680)

11. Reconciliation of movement in shareholders' funds

	2017 £000	2016 £000
Profit for the financial year	717	123
Net increase in shareholders' funds	717	123
Opening shareholders' funds	203	80
Closing shareholders' funds	920	203

12. Capital commitments

The company had no capital commitments at 31st December 2017 or 31st December 2016.

13. Operating leases

Non-cancellable operating lease rentals are payable over the duration of leases expiring in:

	2017 £000	2016 £000
Land and Buildings		
- within 1 year	-	6
- between 2 and 5 years	-	-
	<u>-</u>	<u>6</u>
Vehicles		
- within 1 year	6	15
- between 2 and 5 years	26	14
	<u>32</u>	<u>29</u>
Total		
- within 1 year	6	21
- between 2 and 5 years	26	14
	<u>32</u>	<u>35</u>

14. Contingent liabilities

The Company has entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and certain fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2017, the net Group bank borrowings were £nil (2016: £nil).

15. Related party transactions

The company has applied the exemptions available under FRS101 in respect of transactions with wholly owned subsidiaries;

16. Ultimate parent undertaking

The Company is a subsidiary undertaking of VINCI Construction UK Limited, which is itself a subsidiary undertaking of VINCI PLC, incorporated in England.

The ultimate controlling party is VINCI, a company incorporated in France which also heads the largest group in which the results of the Company are consolidated. The consolidated accounts of this group can be obtained from the Company Secretary, VINCI, 1 Cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France. The smallest group in which they are consolidated is that headed by VINCI Construction UK Limited. Copies of VINCI Construction UK Limited's accounts may be obtained from the Company Secretary, VINCI Construction UK Limited, Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.