

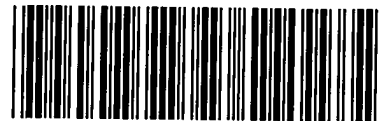
BNP PARIBAS LEASE GROUP PLC

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2014

REGISTERED NUMBER: 2341989

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company.

2. BUSINESS REVIEW

The results of the company for the period to 31 December 2014 are stated in the Statement of Comprehensive Income on page 8 and show a profit before tax of £100k (2013: nil).

The only income anticipated by the company is the dividend stream from its main trading subsidiary, BNP Paribas Leasing Solutions Ltd. BNP Paribas Leasing Solutions Ltd provides asset finance by way of hire purchase, leasing, loans, and stocking facilities to Business customers of the BNP Paribas group and third party Introductory sources.

The results of BNP Paribas Leasing Solutions for the year ended 31 December 2014 are in line with expectations having grown new business volumes by 15% to £570m, and increased Income Generating Assets by 6% to £1,041m. Profit for the period available for distribution, for BNP Paribas Leasing Solutions, is £19m.

The Directors of the company closely monitor the performance of BNP Paribas Leasing Solutions Ltd via the provision of regular management information and in their roles as Directors of the subsidiary.

3. KEY PERFORMANCE INDICATORS

The directors consider the Key Performance Indicators (KPIs) used by the business to be:

| | 2014 | 2013 |
|--------------------|--------------|--------------|
| | £'000 | £'000 |
| Dividends paid | £24,000 | - |
| Dividends received | £100 | - |

4. PRINCIPAL RISKS AND UNCERTAINTIES

There are limited risks and uncertainties faced by the Company associated with its activities as an investment company whose investments relate to that of holdings in subsidiary companies.

The risks and uncertainties of the underlying subsidiary companies, in which the Company holds investments, are liquidity risk, interest rate risk, credit risk, bad debt risk and loan to value risk.

5. FUTURE OUTLOOK

The Company expects to continue as a holding company.

The main trading subsidiary plans to continue to develop the core business within its existing markets as a result of reinforcing relationships with key manufacturer and distributor partnerships, and the company supports these plans.

Over the course of 2015 the company intends to take further steps to reduce the number of non trading subsidiaries to further simplify the group structure.

Approved by the Board of Directors and signed by order of the Board.



N. James
Director

29 June 2015

Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2014.

1. BUSINESS REVIEW

The results of the company for the period to 31 December 2014 are stated in the Statement of Comprehensive Income on page 8 and show a profit before tax of £100k (2013: nil).

A dividend of £24 million (2013: nil) was paid during the year. Further information can be found in note 7 to the financial statements.

BNP Paribas Lease Group PLC is incorporated in England and Wales with its registered office at Northern Cross, Basing View, Basingstoke, Hampshire RG21 4HL.

2. SHARE CAPITAL

The issued share capital is £50,000 in ordinary shares and £288,003 in redeemable preference shares. There was no movement in the share capital during the year. Further details are shown in Note 6 to the financial statements.

3. DIRECTORS

The directors of the Company who served during the year, and up to the date of signing the financial statements, were as follows:

N. James
T. Watkins

4. DIRECTOR INTERESTS

No director of the Company has at any time had any interest in the shares of the Company.

5. DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

6. GOING CONCERN

The directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

7. STATEMENT OF DIRECTORS RESPONSIBILITIES

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union 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 judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements ;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business .


The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps they reasonably ought to have taken, as directors, to make themselves aware 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.

Approved by the Board of Directors and signed by order of the Board.


N. James
Director

29 June 2015

Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BNP PARIBAS LEASE GROUP PLC

We have audited the financial statements of BNP Paribas Lease Group PLC for the year ended 31 December 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS's as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the 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.



Greg Simpson (Senior Statutory Auditor)
For and on behalf of Mazars LLP Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

30 June 2015

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

| <u>CONTINUING OPERATIONS</u> | Notes | 2014 | | 2013 | |
|--|-------|------------|------------|----------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| REVENUE | | | | | |
| Dividend Income | | <u>100</u> | | <u>-</u> | |
| PROFIT BEFORE TAX | | | 100 | | - |
| Tax Expense | 3 | | <u>-</u> | | <u>(143)</u> |
| PROFIT/(LOSS) FOR THE YEAR | | | | | |
| Attributable to Equity Holders | | | 100 | | (143) |
| Other Comprehensive Income for the year | | | <u>-</u> | | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | 100 | | (143) |

The accompanying notes on pages 12 to 19 are an integral part of this statement.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2014

| | | 2014 | | 2013 | |
|-------------------------------------|-------|---------|---------|---------|---------|
| ASSETS | Notes | £'000 | £'000 | £'000 | £'000 |
| Non Current Assets | | | | | |
| Investments | 4 | 131,912 | | 131,912 | |
| Total Non Current Assets | | | 131,912 | | 131,912 |
| Current Assets | | | | | |
| Amounts due from Group Undertakings | 5 | 34,983 | | 58,883 | |
| Total Current Assets | | | 34,983 | | 58,883 |
| TOTAL ASSETS | | | 166,895 | | 190,795 |
| EQUITY AND LIABILITIES | | | | | |
| Capital and Reserves | | | | | |
| Share Capital | 6 | 338 | | 338 | |
| Share Premium | | 147,141 | | 147,141 | |
| Retained Earnings | | 19,416 | | 43,316 | |
| TOTAL EQUITY | | | 166,895 | | 190,795 |
| TOTAL EQUITY AND LIABILITIES | | | 166,895 | | 190,795 |

The accompanying notes on pages 12 to 19 are an integral part of this statement

These financial statements were approved by the Board of Directors on 29 June 2015 and signed on its behalf.



N. James
Director

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | Ordinary Shares £'000 | Redeemable Preference Shares £'000 | Share Premium £'000 | Retained Earnings £'000 | Total £'000 |
|---|-------|-----------------------------|---|---------------------------|-------------------------------|----------------|
| Opening balance sheet as at 1 January 2013 | | - | - | - | 43,459 | 43,459 |
| Loss for the year | | - | - | - | (143) | (143) |
| Other Comprehensive Income for the year | | - | - | - | - | - |
| Total Comprehensive Expense for the year | | - | - | - | (143) | (143) |
| Dividends paid for the year | | - | - | - | - | - |
| Opening balance sheet as at 1 January 2014 | | 50 | 288 | 147,141 | 43,316 | 190,795 |
| Profit for the year | | - | - | - | 100 | 100 |
| Other Comprehensive Income for the year | | - | - | - | - | - |
| Total Comprehensive Income for the year | | - | - | - | 100 | 100 |
| Dividends paid for the year | 7 | - | - | - | (24,000) | (24,000) |
| Equity as at 31 December 2014 | | 50 | 288 | 147,141 | 19,416 | 166,895 |

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|---|-------|---------------|---------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before Taxation | | 100 | - |
| Adjustments for: | | | |
| Dividends Received | | (100) | - |
| | | | - |
| Movements in working capital | | | |
| Decrease/(Increase) in amounts receivable from Group | | | |
| Undertakings | | 23,900 | (14,000) |
| Cash flow from operating activities before tax | | 23,900 | (14,000) |
| | | | |
| Net cash from/(used in) operating activities | | 23,900 | (14,000) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Dividends Paid | | (24,000) | - |
| Dividends Received | | 100 | - |
| Net cash used in financing activities | | (23,900) | - |
| Decrease in cash and cash equivalents | | - | (14,000) |
| Cash and cash equivalents at the start of the year | | - | 14,000 |
| | | | |
| Cash and cash equivalents at the end of the year | | - | - |

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

BNP Paribas Lease Group PLC is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is on page 5. The nature of the Company's operations and its principal activities are that of a holding company.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Company is a holding company with both directly held and indirectly held subsidiary companies detailed in note 4.

These separate financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent company BNP Paribas SA, who prepares consolidated financial statements in accordance with IFRS which are made available to the public as detailed in note 11.

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and the Companies Act 2006 as applicable to companies reporting under IFRS.

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Management are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Revenue

Revenue received by the Company is dividend income arising from its investments in subsidiaries.

Financial Assets - Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise loans due from customers, other receivables and cash and cash equivalents.

Cash and Cash Equivalents

Cash and cash equivalents comprise deposits held at call with a group undertaking.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities measured at amortised cost comprise amounts due to group undertakings and other payables.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used in the determination of deferred income tax are the rates which are expected to apply when the asset is realised or the liability settled, based on the tax rates that have been substantially enacted at the reporting date of that period. They are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Investments in subsidiaries are reviewed annually for impairment. The impairment review takes into consideration the economic viability of the subsidiary, market conditions and financial performance of the underlying subsidiaries.

Group Undertakings

The immediate holding Company is BNP Paribas Lease Group SA, which is incorporated and registered in France.

The ultimate parent Company is BNP Paribas SA, which is registered in France.

Interest in Other Entities

All shares in subsidiary undertakings are ordinary share holdings.

The Company directly controls the wholly owned subsidiaries BNP Paribas Leasing Solutions Limited, Same Deutz-Fahr Finance Limited and HFGL Ltd.

The Company directly controls the non wholly owned subsidiary of JCB Finance Holdings Limited with 50.1% of the share capital.

All companies within the group have an accounting reference date of 31 December.

Dividends

Dividends are recognised when they become legally payable, this is when declared by the directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

Standards, amendments and interpretations adopted during the year

During the year, the following new standards, amendments and interpretations have become effective:

- **IFRS 10 'Consolidated Financial Statements'** - Effective for accounting periods beginning on or after 1 January 2014

This standard replaces the principle of control and the consolidation requirements in IAS 27 'Consolidated and Separate Financial Statements', SIC-12 'Consolidation – Special Purpose Entities' and SIC-33 'Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interests', introducing a single definition of control.

- **IFRS 11 'Joint Arrangements'** - Effective for accounting periods beginning on or after 1 January 2014

This standard replaces IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities – Non-Monetary Contributions by Venturers', setting out only two classifications for joint arrangements. The requirements are based on the nature of the rights and obligations between the parties to the arrangement.

- **IFRS 12 'Disclosure of Interests in Other Entities'** - Effective for accounting periods beginning on or after 1 January 2014

This standard sets out new and comprehensive disclosure requirements for interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- **IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (Revised)** - Effective for accounting periods beginning on or after 1 January 2014

Following the issue of IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements' and IFRS 12 'Disclosure of Interests in Other Entities', consequential changes have been made to these standards.

- **IFRS 10 (amendment) 'Consolidated Financial Statements', IFRS 12 (amendment) 'Disclosure of Interests in Other Entities' and IAS 27 (amendment) 'Separate Financial Statements'** - Effective for accounting periods beginning on or after 1 January 2014

Investment Entities: Applying the consolidation exception.

- **IAS 32 (amendment) 'Financial instruments: Presentation'** - Effective for accounting periods beginning on or after 1 January 2014

Offsetting financial assets and financial liabilities

- **IAS 36 (amendment) 'Impairment of Assets'** - Effective for accounting periods beginning on or after 1 January 2014

Recoverable amounts disclosures for non-financial assets

- **IAS 39 (amendment) 'Financial Instruments: Recognition and Measurement'** - Effective for accounting periods beginning on or after 1 January 2014

Novation of derivatives and continuation of hedge accounting

None of these new standards, amendments or interpretations had a material impact on these financial statements upon first-time adoption.

Standards, amendments and interpretations in issue, but not yet effective

At the date of authorisation of these financial statements the following standards, amendments and interpretations were in issue but not yet effective. These standards, amendments, and interpretations have not been adopted early and have not been applied to these financial statements.

- **IFRIC 21 'Levies'** - Effective for accounting periods beginning on or after 17 June 2014

This interpretation addresses the accounting for a liability to pay a levy.

- **IAS 19 (amendment) 'Employee Benefits'** - Effective for accounting periods beginning on or after 1 July 2014

Defined benefit plans: Employee contributions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

- **Annual Improvements to IFRS (2010 - 2012)** - Effective for accounting periods beginning on or after 1 July 2014

- **Annual Improvements to IFRS (2011 - 2013)** - Effective for accounting periods beginning on or after 1 July 2014

- **IFRS 14 'Regulatory Deferral Accounts'** - Effective for accounting periods beginning on or after 1 January 2016

This standard permits an entity that is a first-time adopter of IFRS to continue to account for its regulatory deferral account balances in accordance with its previous GAAP, subject to limited changes.

- **IFRS 11 (amendment) 'Joint Arrangements'** - Effective for accounting periods beginning on or after 1 January 2016

Accounting for acquisitions of interests in joint operations

- **IAS 16 (amendment) 'Property, Plant and Equipment'** and **IAS 38 (amendment) 'Intangible Assets'** - Effective for accounting periods beginning on or after 1 January 2016

Clarification of acceptable methods of depreciation and amortisation

- **IAS 16 (amendment) 'Property, Plant and Equipment'** and **IAS 41 'Agriculture'** - Effective for accounting periods beginning on or after 1 January 2016

Agriculture: Bearer plants

- **IAS 27 (amendment) 'Separate Financial Statements'** - Effective for accounting periods beginning on or after 1 January 2016

Equity Method in Separate Financial Statements

- **IFRS 10 (amendment) 'Consolidated Financial Statements'** and **IAS 28 (amendment) 'Investments in Associates and Joint Ventures'** - Effective for accounting periods beginning on or after 1 January 2016

Sale or contribution of assets between an investor and its associate or joint venture

- **IAS 1 (amendment) 'Presentation of Financial Statements'** - Effective for accounting periods beginning on or after 1 January 2016

- **Disclosure initiative - IFRS 10 (amendment) 'Consolidated Financial Statements', IFRS 12 (amendment) 'Disclosure of Interests in Other Entities' and IAS 28 (amendment) 'Investments in Associates and Joint Ventures'** - Effective for accounting periods beginning on or after 1 January 2016

Investment entities: Applying the consolidation exception.

- **Annual Improvements to IFRS (2012 - 2014)** - Effective for accounting periods beginning on or after 1 July 2016

- **IFRS 15 'Revenue from Contracts with Customers'** - Effective for accounting periods beginning on or after 1 January 2017

The standard replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations on revenue recognition, presenting a five stage approach to the recognition of revenue.

The standards, amendments, and interpretations, which are relevant to the Company, and may have a material effect on the Company's forthcoming financial statements are as follows. The adoption of all other standards, amendments, and interpretations are not expected to have a material impact.

IFRS 9 'Financial instruments' - Effective for accounting periods beginning on or after 1 January 2018

The standard replaces IAS 39 'Financial Instruments: Recognition and Measurement', containing revised requirements in relation to classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

The Company is yet to fully assess the impact of IFRS 9, however it is not expected to be significant given the types and nature of financial instruments that are held by the Company.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

2. AUDITOR'S REMUNERATION

| | 2014 | 2013 |
|--|--------------|-------|
| | £'000 | £'000 |
| Fees payable to the Company's auditor for the audit of the Company | 6,220 | 6,500 |

Audit fees for the company were paid by a subsidiary undertaking.

3. TAXATION

The analysis of the tax charge for the year is as follows:

| | 2014 | 2013 |
|---|--------------|-------|
| | £'000 | £'000 |
| Current Tax | | |
| UK Corporation tax on profits of the current year | - | (143) |
| Total Tax Credit/(Charge) for the year | - | (143) |

Corporation Tax is calculated at 21.5% (2013: 23.25%) of the taxable profit for the year.

The credit/(charge) for the year can be reconciled to the profit per the income statement as follows:

| | 2014 | 2013 |
|---|--------------|-------|
| | £'000 | £'000 |
| Profit on ordinary activities before tax | 100 | - |
| Tax charge at the UK standard rate of Corporation Tax of 21.5% (2013: 23.25%) | (22) | - |
| Tax effect of non assessable income | 22 | - |
| Adjustments in respect of prior years | - | (143) |
| Total Tax Credit/(Charge) for the year | - | (143) |

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

4. INVESTMENTS

| | 2014 £'000 | 2013 £'000 |
|----------------------|----------------|----------------|
| Total cost of shares | <u>131,912</u> | <u>131,912</u> |

All shares in subsidiary undertakings are ordinary share holdings. The principal activity of all of the subsidiary undertakings of which this Company is the parent is the provision of finance and related services. The following companies are the principal subsidiaries of the Company, which are incorporated in Great Britain and registered in England and Wales.

Directly Controlled Wholly Owned Subsidiary Undertakings

| | |
|---------------------------------------|---------|
| BNP Paribas Leasing Solutions Limited | Trading |
| Same Deutz-Fahr Finance Limited | Dormant |
| HFGL Ltd | Dormant |

Directly controlled Non Wholly Owned Subsidiary

| | | |
|------------------------------|-------|---------|
| JCB Finance Holdings Limited | 50.1% | Holding |
|------------------------------|-------|---------|

Indirectly Controlled Wholly Owned Subsidiary Undertakings

| | |
|---|---------|
| Albury Asset Rentals Limited | Dormant |
| Commercial Vehicle Finance Limited | Dormant |
| BNP Paribas Lease Group (Rentals) Limited | Dormant |
| Humberclyde Commercial Investments Ltd | Trading |
| Humberclyde Commercial Investments (No.1) Ltd | Dormant |

Indirectly controlled Non Wholly Owned Subsidiary

| | | |
|---|-------|---------|
| Claas Financial Services Limited | 51% | Trading |
| JCB Finance SAS (Registered in France) | 50.1% | Trading |
| JCB Finance Management Services Limited | 50.1% | Trading |

5. AMOUNTS OWED FROM GROUP UNDERTAKINGS

| | Notes | 2014 £'000 | 2013 £'000 |
|-------------------------------------|-------|---------------|---------------|
| Amount owed from Group Undertakings | 8 | <u>34,983</u> | 58,883 |
| | | <u>34,983</u> | <u>58,883</u> |

There are no bank loans or overdrafts.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 2341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-DECEMBER 2014

Continued

6. SHARE CAPITAL

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| <u>Authorised</u> | | |
| 400,000 ordinary shares of £1 each | 400 | 400 |
| <u>Allotted and fully paid</u> | | |
| 50,000 ordinary shares of £1 each | 50 | 50 |
| 288,003 Redeemable preference shares of £1 each | 288 | 288 |
| | <u>288</u> | <u>288</u> |

7. DIVIDENDS

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Prior Year Final Dividend: £480 (2013: £nil) per ordinary share | 24,000 | - |
| | <u>24,000</u> | <u>-</u> |

Dividends were paid to the Company's parent BNP Paribas Lease Group SA during the year ended 31 December 2014.

8. RELATED PARTY TRANSACTIONS

The accounts reflect the following transactions with related parties:

| | Notes | 2014 £'000 | 2013 £'000 |
|--|-------|---------------|---------------|
| Dividends received on ordinary shares | | 100 | |
| | | <u>100</u> | <u>-</u> |
| Amounts due from group undertakings | | £'000 | £'000 |
| BNP Paribas Leasing Solutions Limited | 5 | 34,983 | 58,883 |
| | | <u>34,983</u> | <u>58,883</u> |

9. CAPITAL COMMITMENTS AND CONTINGENCIES

There were no capital commitments and contingencies at 31 December 2014 (2013: Nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Continued

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The financial instruments held by the Company comprise amounts receivable from other group undertakings. The Company does not charge interest on its amounts due from group undertakings, and these amounts are not denominated in foreign currencies. As a holding company there are no other financial instruments needed to fund the investments in subsidiaries.

Consequently the Company is not considered to have any exposure to liquidity risk, interest rate risk and foreign currency risk. The Company's exposure to credit risk is considered to be minimal to the extent that it has balances receivable from other group undertakings.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The Company manages its capital in order to safeguard its ability to continue as a going concern and in order to provide adequate returns for equity holders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid or issue new ordinary share capital.

Credit Risk

Credit risk is the risk of financial loss to the Company if the intercompany debt is not paid. Since the debt is with a group undertaking, management consider that there is no exposure to credit risk as the debt will not be recalled. Amounts held as cash and cash equivalent also expose the Company to credit risk, although management consider this risk exposure to be insignificant as the amounts are minimal and held with group undertakings.

Management consider that the intercompany receivable is recoverable in full as at the reporting date and therefore no provision for impairment is considered necessary. The maximum exposure to credit risk is represented by the amounts held as cash and cash equivalents and those due from group undertakings. The intercompany receivable cannot be exchanged in an open market but the directors consider the carrying value to be equivalent to its fair value.

11. PARENT AND ULTIMATE CONTROLLING PARTY

BNP Paribas Lease Group SA is the immediate parent of the Company.

The ultimate parent Company is BNP Paribas SA, which is registered in France.

The smallest and largest group in which the results of the group are consolidated is that headed by BNP Paribas SA. The consolidated accounts of BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italiens, 75009, Paris, France.

12. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.