

BNP PARIBAS LEASE GROUP PLC

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017

REGISTERED NUMBER: 02341989



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BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

The results of the company for the period to 31 December 2017 are stated in the Statement of Comprehensive Income on page 9 and show a profit before tax of £800k (2016: £37,756k) and a profit after tax of £800k (2016: £37,756k). The Company has net assets of £147,533k (2016: £185,533k).

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 2017 are in line with expectations having grown New Business volumes by 10% to £780m, and increased Income Generating Assets by 15% to £1,396m. Profit for the period available for distribution, for BNP Paribas Leasing Solutions, is £27m, an increase from 2016 primarily due to a reduction in costs arising from changes in actuarial assumptions within the defined benefit pension schemes.

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.

KEY PERFORMANCE INDICATORS

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

	2017	2016
Dividends paid	£38,800,000	£41,000,000
Dividends received	£800,000	£37,755,989

The dividends paid have exceeded the dividends received following a decision taken in the prior period to align payment and receipt of dividends from subsidiaries within an accounting period.

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.

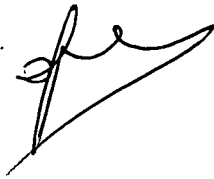
Over the course of 2018 the company intends to take further steps to reduce the number of non trading subsidiaries to further simplify the group structure.

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.

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



N James
Director

12 April 2018

Registered Office Address:
Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

RESULTS AND DIVIDENDS

The results of the company for the period to 31 December 2017 are stated in the Statement of Comprehensive Income on page 9 and show a profit before tax of £800k (2016: Profit of £37,756k).

A dividend of £38,800k (2016: £41,000k) was paid during the year. Further information can be found in note 7 to the financial statements.

SHARE CAPITAL

The issued share capital is £338,003. There was no movement in the share capital during the year. Further details are shown in Note 6 to the financial statements.

DIRECTORS

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

J-M Boyer	appointed 18 April 2017
N James	
T Watkins	resigned 18 April 2017

DIRECTOR INTERESTS

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

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.

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.

INDEPENDENT AUDITORS

Mazars LLP will continue to hold office in accordance with Section 489 of the Companies Act 2006.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

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 judgements 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.

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



N James
Director

12 April 2018

Registered Office Address:
Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

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

Opinion

We have audited the financial statements of BNP Paribas Lease Group Plc for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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.

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 IFRSs as adopted by the European Union; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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 by the company, 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.

Responsibilities of Directors

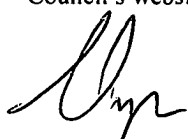
As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

19 April 2018

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

<u>CONTINUING OPERATIONS</u>	Notes	2017		2016	
		£'000	£'000	£'000	£'000
REVENUE					
Dividend Income		800		37,756	
PROFIT BEFORE TAX			800		37,756
Tax Expense	3		-		-
PROFIT FOR THE YEAR					
Attributable to Equity Holders			800		37,756
TOTAL OTHER COMPREHENSIVE PROFIT FOR THE YEAR			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			800		37,756

The accompanying notes on pages 13 to 20 are an integral part of this statement.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

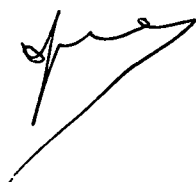
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016	
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	15,530		52,930	
Cash and Cash Equivalents		91		691	
Total Current Assets			15,621		53,621
TOTAL ASSETS			147,533		185,533
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	6	338		338	
Share Premium		147,141		147,141	
Retained Earnings		54		38,054	
TOTAL EQUITY			147,533		185,533
TOTAL EQUITY AND LIABILITIES			147,533		185,533

The accompanying notes on pages 13 to 20 are an integral part of this statement.

These financial statements were approved by the Board of Directors on 12 April 2018 and signed on its behalf.

N James
Director



BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Ordinary Shares £'000	Redeemable Preference Shares £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
Opening balance sheet as at 1 January 2016		50	288	147,141	41,298	188,777
Profit for the year		-		-	37,756	37,756
Other Comprehensive Income for the year		-		-	-	-
Total Comprehensive Income for the year		-		-	37,756	37,756
Transactions with owners of the Company recognised directly in equity:						
Dividends paid for the year		-		-	(41,000)	(41,000)
Opening balance sheet as at 1 January 2017		50	288	147,141	38,054	185,533
Profit for the year		-		-	800	800
Other Comprehensive Income for the year		-		-	-	-
Total Comprehensive Income for the year		-		-	800	800
Transactions with owners of the Company recognised directly in equity:						
Dividends paid for the year	7	-		-	(38,800)	(38,800)
Equity as at 31 December 2017		50	288	147,141	54	147,533

The accompanying notes on pages 13 to 20 are an integral part of this statement.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before Taxation		800		37,756	
Adjustments for:					
Dividends		(800)		(37,756)	
Movements in working capital					
Receipts from Group Undertakings		37,400		3,935	
Cash flow from operating activities before tax		37,400		3,935	
Corporation tax (paid)/received		-		-	
Net cash from operating activities			37,400		3,935
CASH FLOW FROM INVESTING ACTIVITIES					
Dividends Received	7	800		37,756	
Net cash from investing activities			800		37,756
CASH FLOW FROM FINANCING ACTIVITIES					
Dividends Paid	7	(38,800)		(41,000)	
Net cash used in financing activities			(38,800)		(41,000)
(Decrease)/Increase in cash and cash equivalents			(600)		691
Cash and cash equivalents at the start of the year			691		-
Cash and cash equivalents at the end of the year			91		691

The accompanying notes on pages 13 to 20 are an integral part of this statement.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

BNP Paribas Lease Group Plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Northern Cross, Basing View, Basingstoke, Hampshire, RG21 4HL.

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's subsidiary undertakings are all based in the UK.

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, and are made available to the public as detailed in note 10.

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 cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Where applicable, bank overdrafts are included within Borrowings in current liabilities of the Statement of Financial Position.

The Bank's financing activities comprise movements in issued share capital.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Continued

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.

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 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.

Group Undertakings

The immediate holding Company is BNP Paribas Lease Group SA, which is 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 and Same Deutz-Fahr Finance Limited.

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 2017

Continued

Investments

Investments in subsidiaries are valued at cost less provision for impairment of permanent diminution in value.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its asset value and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised as an expense.

Standards, amendments and interpretations adopted during the year

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

IAS 7 (amendment) 'Statement of cashflows' - Effective for accounting periods beginning on or after 1 January 2017

IAS 12 (amendment) 'Income Taxes' - Effective for accounting periods beginning on or after 1 January 2017

None of these new standards, amendments or interpretations had a material impact on these financial statements in the year.

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.

IFRS 15 'Revenue from Contracts with Customers' - Effective date 1 January 2018

The standard replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations on revenue recognition. It sets out the principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a company's contract with a customer and presents a five step approach to the recognition of revenue.

Annual Improvements to IFRS (2014 - 2016) - Effective for accounting periods beginning on or after 1 January 2018

IFRS 9 'Financial Instruments' – Effective date 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.

IFRS 16 'Leases' – Effective date 1 January 2019

The standard replaces IAS 17 'Leases', and eliminates the classification of a lease as either an operating lease or finance lease for lessees and introduces a single lessee accounting model. The Company is yet to fully assess the impact of IFRS 16, however it is not expected to have a significant impact where the Company operates as a lessor. As a lessee of property the Company will be required to recognise its assets and liabilities relating to that lease and to recognise the depreciation of the lease asset separately from the interest element in the income statement.

The adoption of these standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Continued

2. AUDITOR'S REMUNERATION

	2017 £'000	2016 £'000
Fees payable to the Company's auditor for the audit of the Company	<u>6</u>	<u>6</u>

The expense for audit fees was met by another group company.

3. TAXATION

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

	2017 £'000	2016 £'000
Current Tax		
UK Corporation tax on profits of the current year	-	-
Total Tax Credit for the year	<u>-</u>	<u>-</u>

Corporation Tax is calculated at 19.25% (2016: 20.00%) of the taxable profit for the year.

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

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	(800)	(37,756)
Tax charge at the UK standard rate of Corporation Tax of 19.25% (2016: 20.00%)	(154)	(7,551)
Tax effect of income that is not taxable	154	7,551
Total Tax Credit for the year	<u>-</u>	<u>-</u>

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Continued

4. INVESTMENTS

	2017 £'000	2016 £'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 the companies within the Group 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	Non-Trading

Directly controlled Non Wholly Owned Subsidiary

JCB Finance Holdings Limited	50.1%	Holding
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Indirectly Controlled Wholly Owned Subsidiary Undertakings

Albury Asset Rentals Limited	Non-Trading
BNP Paribas Lease Group (Rentals) Limited	Non-Trading
Commercial Vehicle Finance Limited	Non-Trading
Humberclyde Commercial Investments Limited	Non-Trading

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. RELATED PARTY TRANSACTIONS

The accounts reflect the following transactions with related parties:

	Notes	2017 £'000	2016 £'000
Dividends received on ordinary shares		800	37,756
		<u>800</u>	<u>37,756</u>
Amounts due from group undertakings		£'000	£'000
BNP Paribas Leasing Solutions Limited		15,530	52,930
		<u>15,530</u>	<u>52,930</u>

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Continued

6. SHARE CAPITAL

	2017 £'000	2016 £'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>338</u>	<u>338</u>

For the purpose of the cash flow statement, the Company's financing activities comprise share capital and reserves only. The movements in these balances represent the only changes to financing activities in the current and preceding period.

7. DIVIDENDS

	2017 £'000	2016 £'000
Prior Year Final Dividend: £760.00 (2016: £820.00) per share	38,000	41,000
Current Year Interim Dividend: £16.00 (2016 : £-) per share	800	-
	<u>38,800</u>	<u>41,000</u>

8. CAPITAL COMMITMENTS AND CONTINGENCIES

There were no capital commitments and contingencies at 31 December 2017 (2016: Nil)

BNP PARIBAS LEASE GROUP PLC
COMPANY NUMBER 02341989

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Continued

9. 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.

Maturity Profile of Financial Assets

The tables below summarises the maturity profile of the Company's financial assets based on contractual undiscounted payments

Year Ended 31 December 2016

	Less than 3 months £'000	3 - 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Amounts receivable from Group Undertakings	15,530	-	-	-	15,530

Year Ended 31 December 2015

	Less than 3 months £'000	3 - 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Amounts receivable from Group Undertakings	52,930	-	-	-	52,930

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Continued

10. PARENT AND ULTIMATE CONTROLLING PARTY

The immediate parent is BNP Paribas Lease Group SA, which is incorporated in France. The ultimate parent company and the ultimate controlling party is BNP Paribas SA which is incorporated in France.

The parent undertaking of the smallest group in which the results of the Company are consolidated is BNP Paribas Lease Group SA which is incorporated in France. The parent undertaking of the largest group in which the results of the Company are consolidated is BNP Paribas SA. The consolidated financial statements of BNP Paribas Lease Group SA and BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italiens, 75009 Paris, France.

11. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.