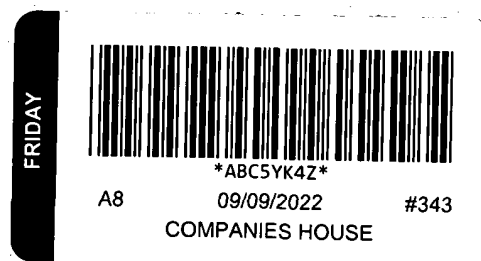


Company registration no. 3997584

## **BNP Paribas Fleet Holdings Limited**

### **Annual Report and Financial Statements**

**For the year ended 31 December 2021**



**ARVAL**  
BNP PARIBAS GROUP

For the many  
journeys in life

## **Contents**

**For the year ended 31 December 2021**

	Page
Company Information	2
Strategic Report	3 – 4
Directors' Report	5 – 9
Statement of Directors' Responsibilities	10
Independent Auditor's Report	11 – 14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Notes to the Financial Statements	18 - 26



## **Company Information**

**For the year ended 31 December 2021**

**Directors:**

L Moorthy

F De Visscher

J Lund

**Secretary:**

A Parshall

**Registered Office:**

Whitehill House

Windmill Hill

Swindon

SN5 6PE

**Registered Number:**

3997584

**Auditor:**

Constantin

25 Hosier Lane

London

EC1A 9LQ



## **Strategic Report**

**For the year ended 31 December 2021**

### **Review of Business and Future Developments**

#### **Financial position**

In the opinion of the directors, the state of the company's affairs is satisfactory. The company acts as a holding company and does not carry out any trading activity.

#### **Current and future developments**

BNP Paribas Fleet Holdings Limited is the holding company for Arval's UK operations and the directors' view is that this will continue for the foreseeable future. As a holding company, the principal risk to the company is the long term performance of subsidiary investments.

#### **Credit risk**

The company is exposed to credit risk due to counterparties failing to meet all or part of their obligations. All counterparties are subject to credit verification and all outstanding balances are monitored on an ongoing basis.

Management is responsible for the identification, assessment and control of credit risk and reporting it in accordance with the group's policies.

#### **Section 172 statement**

Section 172 of the Companies Act 2006 ("the Act") requires directors to promote the success of the company having regard to the interests of stakeholders in their decision-as set out in sections 172(1)(a)-(f) of the Act. The company has limited stakeholders, including its parent company and its impact on the community and the environment. The directors are cognisant of their responsibilities under s172 and are covered by the Arval UK Corporate Governance Policy which is reviewed regularly. The Policy sets out the governance arrangements for Arval UK and the role and responsibilities of the directors, as well as those of management and the Company Secretary. In its decision making the Board aligns Arval UK's values, standards, strategic aims and appetite to risk with the BNP Paribas Group after ensuring they are in Arval UK's interest. The directors act in good faith, in what they honestly believe to be the best interests of Arval UK, and not for any collateral purpose. Directors' conflicts of interest are checked annually

The following provides examples of how the directors have had regard to the company's stakeholders of during 2021, a year which continued to be dominated by the global pandemic.

**Shareholders:** the company is a wholly owned subsidiary of Arval Service Lease SA and ultimately of BNP Paribas SA which is listed on the Paris Stock Exchange. In making decisions the directors have regard to the profitability of the company, but at the same time ensuring decisions made and actions of management are aligned with the company's values.

**Community and environment:** the impact of the company's subsidiaries' activities on the environment are material considerations and important facets of the Arval Beyond strategy of Arval companies in the UK. Supporting the local community and social responsibility are committed to by the Board. Arval is passionate about road safety; the company's subsidiary provides sponsorship to both a national road safety charity as well as one connected more locally with the company's head office community. Further information on the company's environmental impact can be found in the Directors' Report.



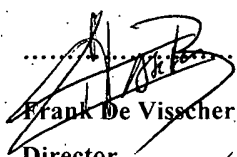
## **Strategic Report (continued)**

**For the year ended 31 December 2021**

Arval has multiple entities in the UK and during the course of 2021 the directors considered changes to the corporate structure to rationalise and remove redundant entities to ensure that the structure is fit for purpose in the longer term. The review is focused on the number of entities and corporate ownership structures and is still ongoing, with a number of alternatives dismissed due to the negative impact on customers, suppliers or employees out-weighing potential benefits. To assist them in reaching these decisions, the directors were provided with detailed reports and the matters were actively discussed at a number of Board meetings throughout the year.

The company does not have customers, all customers contract with its subsidiary company, Arval UK Limited. It has no suppliers and no employees; all employees are employed by its subsidiary Arval UK Group Limited. It is 100% owned by BNP Paribas Fleet Holdings Limited. How the Directors have had regard to the interests of the company's customers, suppliers, employees and to the need to act fairly between members are not therefore relevant to this report

**Approved by the board, authorised for issue and signed on its behalf by**

  
.....  
Frank De Visscher  
Director  
Date: 18/5/22



## **Directors' Report**

### **Principal Activities**

The company is a holding company.

### **Results**

The company's results are set out in the Statement of Comprehensive Income on page 15.

### **Dividends**

The directors currently propose a dividend of 26.0p (2020: 2.8p) per share on the issued share capital amounting to £115.6m (2020: £12.7m) payable after the balance sheet date. This dividend is dependant on the receipt of a proposed dividend of £115.3m from Arval UK Group Limited.

### **Directors' Indemnity**

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors.

### **Directors**

The directors set out below have held office during the whole of the period from 1 January 2021 to the date of this report unless shown otherwise.

L Moorthy (appointed 1 March 2021)

A M. Cabaça (resigned 1 March 2021)

F De Visscher

P Hyne (resigned 4 March 2022)

J Lund (appointed 14 April 2022)

### **Future Developments**

Future developments are covered in the Strategic Report on pages 3 – 4.

### **Going concern**

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

The coronavirus (COVID 19) pandemic was declared by the World Health Organization on 30<sup>th</sup> January 2020 and continues to have an impact across the world. In the COVID 19 context, Arval have followed the directives of BNP Paribas Group and strictly applied the recommendations of the relevant authorities. The vast majority of our employees are now engaged in Hybrid working - a new model blending home and office. Our teams are mobilised towards our customers and partners, whilst protecting our own teams' health in these challenging times and we have adapted its organisation in order to serve our customers.

The COVID 19 vaccination rollout and the removal of pandemic-related restrictions have continued in 2022. Forecasts suggest a favourable trend in economic growth throughout 2022 and onwards, with a return to pre crisis levels. Along with the substantial government support available to employers and most significant sections of the economy during the impact of COVID 19 on the company and the Arval group's activities is expected to be manageable. The directors have considered the impact of the pandemic on future unit volumes, the impact on the UK used car market and on customer credit risk. The group is still forecasting profitability for 2022 and beyond.



## **Directors' Report (continued)**

As a reminder, the Arval Group is a wholly owned subsidiary of BNP Paribas, a leading bank in the world with an international reach. Arval has access to BNPP funding and support when needed.

Arval has reviewed, in addition to going concern, all most important areas of the accounts that may be subject to judgement and estimation uncertainty, including accounting estimates, asset impairment and expected credit loss assessments.

### **Employee Engagement statement**

2021 continued to be dominated by the ongoing COVID-19 pandemic with the health and well-being of employees remaining a primary consideration of the Board of the Company's subsidiary, Arval UK Group Limited (AUKG), which is the employing entity. The Board of BNP Paribas Fleet Holdings is fully committed to the wellbeing of employees of its subsidiary undertaking and to diversity and open engagement.

The turning point for employees of AUKG came in June 2021 when a Return To The Office plan was rolled out and employees gradually returned in increasing numbers with a Hybrid Working (new model blending home and office) being launched in September 2021. The continued safety of those employees working across Arval's offices in the UK was a fundamental consideration, with due attention being paid to government guidance and appropriate guidance from a retained external Health & Safety consultant. Adjustments to UK government advice were taken in a timely manner and communicated to all employees.

As businesses opened up post pandemic and employees looked to the future and their career aspirations, there has been a high rate of vacancies and a real pressure on recruitment and retention requiring new strategies for both. New channels to source candidates as well as speed and proactivity to on-board candidates has been vital and the retention strategy has been underpinned by the launch of a refreshed Employer Value Proposition by AUKG, "Journey Makers 2.0".

Regular engagement (Pulse) and other surveys gather feedback on the culture and working practices. The results of the surveys are used to understand the workforce and to develop new initiatives, benefits and development programmes. Similarly, the company has a network of People Champions elected by employees from each department, enabling strong two-way communication and regular meetings with the Managing Director and Human Resources Director. Key areas of focus arising from both channels of input have been addressing resourcing levels (exacerbated by the labour market), technology standards and pay. For reward matters steps have been taken to boost recognition measures and to ensure wage drift budget is higher in 2022 due to rising inflation and a very competitive labour market.

Throughout 2021, a strong Internal Communications strategy ensured employees were kept informed of all key change, business and financial performance as well as ongoing investment in the employee experience. This included any decisions being made in regards to presence in the office and Arval's overall response to the pandemic crisis.

The Board remains focused and committed to gender and diversity & inclusion strategies. The company's Board and senior leadership has achieved further balance in 2021 in terms of gender. The Diversity and Inclusion working group continues to make impactful progress with an executive sponsor. Arval in the UK had five talent programmes in 2021, four require balance to gender from within pool of candidates and one was targeted at female candidates only.



## Directors' Report (continued)

### Streamlined Energy and Carbon Reporting (SECR) disclosure

#### Organisation and Boundary Scope

An operational control approach has been used in order to define the organisational boundary and is the basis for determining the Scope 1, Scope 2 and Scope 3 emissions for which BNP Paribas Fleet Holdings Limited and its subsidiaries are responsible. The data contained within this report covers a 12-month period from 01/10/2020 to 30/09/2021 and covers 100% of the FTE workforce managed at 31 December 2021. The data collection, processing and verification periods do not allow reporting on a current calendar year.

#### Methodology

An environmental reporting system is in place across the BNP Paribas Group to quantify and calculate the Greenhouse Gas (GHG) emissions associated with its operations. An internal protocol is reviewed and communicated annually to all employees contributing to this reporting. The measuring and reporting of environmental performance data is carried out in line with the GHG Protocol issued by the WRI and WBCSD, the general principles of the GRI and ISO standards on environmental communication. Where available data covers only part of the reporting scope, missing data has been extrapolated using a uniform methodology across the BNP Paribas Group. For energy, if there is a value for at least one reporting unit at country level, it is used to calculate the ratio m2/building type and this country ratio is then applied. Business travel is extrapolated using a country ratio/FTE approach.

#### GHG Emissions & Energy Use

Absolute Emissions		2021	2020
Scope 1: Direct GHG emissions from natural gas (tCO <sub>2</sub> e)		538.09	164.62
Scope 2: Indirect GHG emissions from purchased electricity (tCO <sub>2</sub> e)	Market-based	0	72.97
	Location-based	250.31	374.36
Total Scope 1 and 2 (tCO <sub>2</sub> e)	Market-based	538.09	237.58
	Location-based	788.40	538.98
Scope 3: Indirect emissions from business travel including air, rail, company-leased and employee owned vehicles (tCO <sub>2</sub> e)		11.67	244.40
Total Scope 1, 2 & 3 (tCO <sub>2</sub> e)		800.06	783.37

#### Emissions Intensity

Occupied premises emissions intensity (tCO <sub>2</sub> e per FTE)	Scope 1 & 2 location-based emissions from occupied premises per full-time equivalent employee	1.14	0.79
Occupied premises emissions intensity (tCO <sub>2</sub> e per m <sup>2</sup> )	Scope 1 & 2 location-based emissions from occupied premises per m <sup>2</sup> of floor area	0.09	0.06
Total emissions intensity (tCO <sub>2</sub> e per FTE)	Scopes 1, 2 and 3 location-based emissions per full-time equivalent employee	1.15	1.15



## Directors' Report (continued)

Absolute Energy Consumption		2021	2020
Natural gas (kWh)		2,657,197	812,908
Electricity (kWh)		1,092,113	1,072,665
<b>Total Energy Consumption (corresponding to Scope 1 &amp; Scope 2 emissions) (kWh)</b>		<b>3,749,310</b>	<b>1,885,573</b>
Fuel used for company-leased and employee owned vehicles (kWh)		29,112	-
<b>Total Energy Consumption (Scope 1, 2 &amp; Scope 3 employee owned vehicles) (kWh)</b>		<b>3,778,422</b>	<b>-</b>
Energy Intensity			
Occupied premises energy intensity (kWh per m <sup>2</sup> )	Scope 1 & 2 Energy Consumption from occupied premises per m <sup>2</sup> of floor area	438	193

Scope 1 includes emissions generated from natural gas.

Scope 2 includes emissions from purchased electricity and are reported using the GHG Protocol dual-reporting methodology, stating two figures to reflect the GHG emissions from purchased electricity, using both a location-based method that reflects the average emission intensity of the national electricity grids from which consumption is drawn. In addition, a market-based method that reflects emissions from electricity specific to each supply/contract. Where electricity supplies are known to be from a certified renewable source, a zero emissions factor is used, otherwise residual mix factors are used.

Scope 3 includes emissions generated from business travel including air, rail, company-leased vehicles and employee owned vehicles. Note emissions generated by company-leased vehicles are reported under Scope 3 to maintain continuity with the Group methodology.

GHG emissions and kWh consumption related to electric vehicles is reported under Scope 2 as charging primarily occurs in the buildings of the Group.

Emission Factors used are dictated by the Group methodology, which has kept grid electricity emission factors stable for a number of years to ensure that the annual progress assessment against the baseline year was not affected by the gradual reduction in grid emission factors. For the 2021 reporting year, the factors were changed to align with a new 2025 Group GHG reduction target, which is set against a new 2019 baseline. Scope 1: WRI (2008) GHG Protocol tool for stationary combustion. Version 4.0 GWP from IPCC AR4 (2007). Scope 2: Location-based IEA (CO<sub>2</sub> Highlights) 2021 – Data 2019; Market based RE-DISS II; AIB European Residual Mix (2020). Version 1.0 2021-05-31. Scope 3: Air & Road UK DEFRA, Passenger Vehicles 2019. Rail ADEME V21.2. Energy (kWh) consumption related to company-leased and employee owned vehicles currently falls outside of the BNPP Group reporting system and has been reported using the DEFRA 2021 conversion factors.

Intensity ratios As well as absolute emissions and energy, we also report three GHG intensity ratios and one energy intensity ratio, which have been selected as the most appropriate and informative for the company.

Deloitte has verified the 2021 GHG & energy data in this report to a reasonable level of assurance, with the exception of kWh consumption related to company-leased and employee owned vehicles.

<https://www.bnpparibas.co.uk/en/engagement/environment/>

### Our commitments & Energy Efficiency Actions Taken

BNP Paribas Fleet Holdings Limited and its subsidiaries are committed to supporting the BNP Paribas Group reduce Greenhouse Gas emissions (scope 1, 2 & 3 business travel) to 1.85 teqCO<sub>2</sub>/FTE by 2025. In 2021 we increased the number of company-leased electrified vehicles (i.e. PHEV and fully electric) from 164 to 195, which now represents 90% of our total company-leased fleet.

We are committed to continue to procure 100% electricity from renewable sources.

As evidenced in the table above, our absolute emissions in 2021 increased along with the intensity ratios. We attribute this effect to the quality of data provided by our building's landlord and their gas supplier, as the Swindon office gas meter had not been read for over 18 months. Estimated usage reading last year appeared to be too low and the correction is included in the 2021 figures. We are working with the landlord's agent to improve the quality of the data we are provided.



## **Directors' Report (continued)**

Strong restrictions on travel throughout the Covid-19 pandemic led to a significant decrease in Scope 3 GHG emissions related to business travel. As we transition to agile working, any future reductions must be put into perspective by assessing the increase in Scope 3 emissions linked to home-based work; Arval UK Group Limited, a subsidiary of BNP Paribas Fleet Holdings Limited, continues to work to quantify this effect.

We have not invested in any energy efficiency projects in 2021 as our focus remained on reconfiguring our offices to support hybrid working and increasing the percentage of electrified vehicles within our company-leased fleet. We have managed to reduce our workspace (m2) per FTE from 14.3 to 12.3 (14% reduction) in 2021.

100% of electricity purchased by BNP Paribas Fleet Holdings Limited and its subsidiaries in 2021 came from renewable sources, supported by a REGO certificate.

We have held our ISO14001 certification continuously since 2009 and recently re-certified until 2024.

For further analysis please visit our BNP Paribas UK Website and BNP Paribas Group CSR page.

### **Statement as to Disclosure of Information to Auditor**

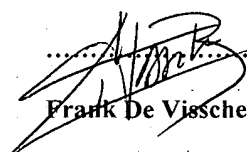
The directors have taken all the necessary steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditor is aware of that information.

As far as the directors are aware, there is no relevant information of which the company's auditor is unaware.

### **Auditor**

Constantin have signified their willingness to continue in office.

**Approved by the board, authorised for issue and signed on its behalf by**

  
.....  
**Frank De Visscher**

**Director**

**Date:** 18/5/22



## **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.



## **Independent Auditor's Report to the Members of BNP Paribas Fleet Holdings Limited**

### **Opinion**

In our opinion the financial statements of BNP Paribas Fleet Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise: the Statement of Comprehensive Income; the Statement of Financial Position; the Statement of Changes in Equity; the Statement of Accounting Policies; and the related notes on pages 18 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

### **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 Financial Reporting Council's (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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.



## **Independent Auditor's Report to the Members of BNP Paribas Fleet Holdings Limited (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement, 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 control 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management's about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006.



## **Independent Auditor's Report to the Members of BNP Paribas Fleet Holdings Limited (continued)**

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business. In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Opinions 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 the 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 have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report in respect of the following matters 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 respect of these matters.

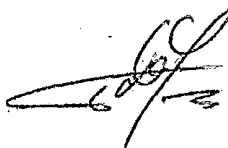


## **Independent Auditor's Report to the Members of BNP Paribas Fleet Holdings Limited (continued)**

### **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.

Thierry de Gennes, ACA (Senior Statutory Auditor)  
For and on behalf of Constantin  
Statutory Auditor  
25 Hosier Lane  
London  
EC1A 9LQ  
Date: 18 May 2022



## **Statement of Comprehensive Income**

For the year ended 31 December 2021

	Notes	31 December 2021 £'000	31 December 2020 £'000
Finance income	5	12,788	84,907
<b>Profit before taxation</b>		<b>12,788</b>	<b>84,907</b>
Taxation	6	(54)	(27)
<b>Profit for the year</b>		<b>12,734</b>	<b>84,880</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>12,734</b>	<b>84,880</b>

The notes on pages 18 to 26 form an integral part of these financial statements.



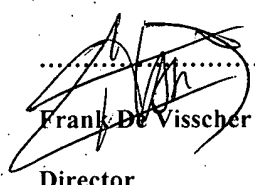
## Statement of Financial Position

As at 31 December 2021

	Notes	31 December 2021 £'000	31 December 2020 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary undertaking	8	344,018	344,018
<b>Current assets</b>			
Trade and other receivables	9	101,256	101,170
<b>Total assets</b>		<b>445,274</b>	<b>445,188</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current tax liabilities		(54)	(36)
<b>Total liabilities</b>		<b>(54)</b>	<b>(36)</b>
<b>Net assets</b>		<b>445,220</b>	<b>445,152</b>
<b>EQUITY</b>			
Share capital	10	444,974	444,974
Retained earnings		246	178
<b>Total equity</b>		<b>445,220</b>	<b>445,152</b>

The notes on pages 18 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors, authorised for issue and signed on their behalf by:

  
 Frank De Visscher  
 Director

Date: 28/5/22



**ARVAL**  
 BNP PARIBAS GROUP

## Statement of Changes in Equity

As at 31 December 2021

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2020</b>	444,974	475	445,449
Profit for the year	-	84,880	84,880
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	84,880	84,880
Dividends paid	-	(85,177)	(85,177)
<b>At 31 December 2020</b>	444,974	178	445,152
Profit for the year	-	12,734	12,734
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	12,734	12,734
Dividends paid	-	(12,666)	(12,666)
<b>At 31 December 2021</b>	444,974	246	445,220



## **Notes to the Financial Statements**

For the year ended 31 December 2021

### **1. Corporate information**

BNP Paribas Fleet Holdings Limited is a company incorporated in the United Kingdom. The registered address of the company is given on page 2. The principal operations of the company are included in the Strategic Report on pages 3 – 4.

### **2. Accounting policies**

#### **2.1. Basis of preparation**

##### ***Statement of compliance***

These financial statements have been prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”) and in conformity with the requirements of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 (‘Regulations’).

The company is exempt from the requirement to prepare consolidated financial statements under Section 401 of the Companies Act 2006. Consolidated financial statements are prepared by BNP Paribas SA, the ultimate parent undertaking, incorporated in France and are available from the address set out in note 12. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### ***Disclosure exemptions applied***

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- (i) The requirement of IFRS 7 ‘Financial Instruments: Disclosures’ relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 ‘Fair Value Measurement’ paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as available for sale investments and derivative financial instruments;
- (iii) The applicable requirements of IAS 36 ‘Impairment of Assets’ relating to the disclosures of estimates used to measure recoverable amounts;
- (iv) The applicable requirements of IAS 1 ‘Presentation of Financial Statements’ relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a) (iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 18(118) (e)).
- (v) The requirement of IAS 1 ‘Presentation of Financial Statements’ paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 ‘Statement of Cash Flows’ and IAS 1 ‘Presentation of Financial Statements’ paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and



## **Notes to the Financial Statements**

**For the year ended 31 December 2021**

- (viii) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points (i) to (iii), the equivalent disclosures are included in the consolidated financial statements of the Group, BNP Paribas SA which the company is consolidated into.

### ***Basis of measurement***

The financial statements have been prepared on the historical cost basis.

### ***Going concern***

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

The company's business activities, together with the factors likely to affect its future performance and position are set out in the Strategic Report and Directors' Report on pages 3 to 9.

The company's subsidiaries have considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

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

### ***Functional and presentational currency***

The financial statements are presented in Pounds Sterling. The company's functional currency is also Pounds Sterling as this is the currency of the primary economic environment of that which the company operates.

## **2.2. Investment in subsidiary**

The investment in subsidiary is recognised at cost less any accumulated impairment losses.

## **2.3. Taxation**

Current corporation tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from the Statement of Comprehensive Income in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries and associates a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.



## **Notes to the Financial Statements**

**For the year ended 31 December 2021**

### **2.4. Impairment of investments in subsidiaries**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### **2.5. Financial instruments**

#### ***Financial assets***

Financial assets are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

All financial assets are classified as financial assets at amortised cost; these comprise assets held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

After initial recognition, financial assets at amortised cost are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on financial assets at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

#### ***Financial liabilities***

Financial liabilities include obligations under finance leases and hire purchase contracts and trade and other payables.

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.



## **Notes to the Financial Statements**

**For the year ended 31 December 2021**

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

### **2.6. Equity and reserves**

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period retained profits.



## **Notes to the Financial Statements**

For the year ended 31 December 2021

### **3. Directors' remuneration**

A M Cabaça, L Moorthy, P Hyne and F De Visscher were remunerated by Arval UK Group Limited and it is not practicable to analyse their remuneration by entity.

### **4. Auditors' remuneration**

Constantin was remunerated by Arval UK Group Limited and it is not possible to analyse their remuneration by entity. Details of the auditor's remuneration can be found in the financial statements of Arval UK Group Limited.

### **5. Finance income**

	<b>31 December 2021 £'000</b>	<b>31 December 2020 £'000</b>
Dividend income	12,488	84,702
Interest receivable from group undertakings	300	205
	<hr/> 12,788	<hr/> 84,907

During 2021 the company received dividends of £12,488,000 (2020: £84,702,000) from Arval UK Group Limited in May.



## **Notes to the Financial Statements**

For the year ended 31 December 2021

### **6. Taxation**

	31 December 2021 £'000	31 December 2020 £'000
Corporation tax:		
Current year	54	36
Adjustment to tax in respect of previous years	-	(9)
	<hr/>	<hr/>
Total tax expense	54	27
	<hr/>	<hr/>

The tax rate used for the following reconciliation is the corporate tax rate of 19.00% (2020: 19.00%) payable by corporate entities in the UK on taxable profits under UK tax law.

The tax charge for the year can be reconciled to the profit for the year as follows:

	31 December 2021 £'000	31 December 2020 £'000
Profit before taxation	12,788	84,907
	<hr/>	<hr/>
Income tax calculated at 19.00% (2020: 19.00%)	2,430	16,132
Effect of income that is not subject to tax	(2,373)	(16,093)
Adjustment to tax in respect of previous years	-	(9)
Thin capitalisation allowable	(3)	(3)
	<hr/>	<hr/>
Total tax expense	54	27
	<hr/>	<hr/>

### **7. Dividends paid and proposed**

During the year dividends of £12,666,000 (2020: £85,177,000) were declared and paid equalling 2.8p per share (2020: 19.0p per share).



## **Notes to the Financial Statements**

For the year ended 31 December 2021

### **8. Investment in subsidiary undertaking**

	<b>£'000</b>
<b>Cost</b>	
As at 1 January 2021 and 31 December 2021	344,018
	<hr/>
<b>Net book value</b>	
As at 1 January 2021 and 31 December 2021	344,018
	<hr/>

Details of subsidiary undertakings at 31 December 2021 are as follows:

Company Name	Activity	Class of share	Percentage of shares held	Aggregate capital and reserves	Profit for the year
				£'000	£'000
Arval UK Group Limited	Management	Ordinary	100%	29,203	14,250
Arval UK Limited	Leasing	Ordinary	* 100%	105,832	104,707
Arval UK Leasing Services Limited	Dormant	Ordinary	* 100%	25,601	62

\* Indirect holdings

All subsidiary undertakings are registered in England and Wales.



## **Notes to the Financial Statements**

For the year ended 31 December 2021

### **9. Trade and other receivables**

	<b>31 December 2021 £'000</b>	<b>31 December 2020 £'000</b>
Amounts owed by related undertakings	101,256	101,170

### **10. Share capital**

	<b>31 December 2021 £'000</b>	<b>31 December 2020 £'000</b>
<b>Authorised</b> 500,000,000 Ordinary shares of £1 each	500,000	500,000
<b>Allocated, called up and fully paid</b> 444,973,997 Ordinary shares of £1 each	444,974	444,974

### **11. Coronavirus (COVID-19) pandemic and events after the reporting period**

The coronavirus (COVID 19) pandemic was declared by the World Health Organization on 30th January 2020 and continues to have an impact across the world. In the COVID 19 context, Arval have followed the directives of BNP Paribas Group and strictly applied the recommendations of the relevant authorities. The vast majority of our employees are working from home in a fully digital environment, whilst keeping the physical presence in our buildings to the strict minimum. Our teams are mobilised towards our customers and partners, whilst protecting our own teams' health in these challenging times and we have adapted its organisation in order to serve our customers.

As a reminder the Arval Group is a wholly owned subsidiary of BNP Paribas, a leading bank in the World with an international reach. Arval has access to BNPP funding and support when needed.

### **12. Post Balance Sheet Events**

The invasion of Ukraine by Russian forces on 24th February 2022 resulted in sanctions imposed against Russian companies and individuals. Although Arval UK's trading activities are not expected to be directly impacted by this, there are supply chain issues at a global level. Any risk related to this is managed accordingly.



## **Notes to the Financial Statements**

**For the year ended 31 December 2021**

### **13. Ultimate controlling party**

The company is a subsidiary undertaking of, and is controlled by Arval Service Lease SA, a company incorporated in France. The ultimate parent undertaking is BNP Paribas SA, a company incorporated in France.

The smallest group in which the results of the company are consolidated is that headed by BNP Paribas Fortis SA/NV. The largest group in which the results of the company are consolidated is that headed by BNP Paribas SA.

The consolidated accounts of BNP Paribas Fortis SA/NV and BNP Paribas SA can be obtained from:

Arval UK Group Limited  
Whitehill House  
Windmill Hill  
Swindon  
SN5 6PE

