

JWB LEASE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2015



COMPANY REGISTRATION NO. 09843903

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

CORPORATE INFORMATION

DIRECTORS

N. M. Dent
S. Fowler
S. Cook

SECRETARY

K. Balinska-Jundzill

AUDITORS

Deloitte LLP
1 Little New Street
London
EC4A 3TR

BANKERS

Société Générale
SG House
41 Tower Hill
London
EC3N 4SG

REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS

SG House
41 Tower Hill
London
EC3N 4SG

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the financial statements for the period from 27 October 2015 (date of incorporation) to 31 December 2015.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

JWB Lease Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006. 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 registration number is 09843903.

The principal activity of the company during the period is to hold share of ownership in JWB Leasing Limited Partnership.

The company's share capital was purchased by SG Leasing (March) Limited on 23 November 2015 for £38,821.62 from Kradavimd UK Lease Holdings Limited.

On 30 November 2015, the company changed its registered office address from Winchester House 1, Great Winchester Street London, EC2N 2DB to C/o Group Legal, SG House, 41 Tower Hill, London, EC3N 4SG.

On 10 December 2015, the company shortened its accounting reference period from 31 October 2016 to 31 December 2015.

The directors consider the result for the period to be in line with expectations and to generate sufficient profit for the foreseeable future.

The directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006. Under the same provisions, the directors' have also taken exemption from preparing a Strategic Report.

RESULTS AND DIVIDEND

The company made a profit on ordinary activities after taxation of £2,523 for the period ended 31 December 2015. The results for the period are set out on page 5.

The directors did not recommend payment of a dividend during the period.

FINANCIAL RISK MANAGEMENT

The company's principal risk is financial risk which it is exposed to through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk and credit risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit, liquidity and cash flow risk. The risks relating to liquidity and cash flow are mitigated by the routine monitoring of key management information. Credit risk is monitored by the risk department of Société Générale, London Branch. They regularly monitor the credit worthiness of clients and will advise the relevant officer in charge of the exposure if there is any deterioration in the credit status (Refer to Note 15).

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

REPORT OF THE DIRECTORS (Continued)

DIRECTORS

The directors who served during the period were:

D. Thomas	(resigned 23 November 2015)
C. Snailham	(resigned 23 November 2015)
M. Spaulding	(resigned 23 November 2015)
N. M Dent	(appointed 23 November 2015)
S. Fowler	(appointed 23 November 2015)
S. Cook	(appointed 24 November 2015)
M. A Nimmo	(appointed 24 November 2015, resigned 14 July 2016)

LIABILITY INSURANCE FOR COMPANY OFFICERS

The company has taken out liability insurance as permitted under Part 10 of the Companies Act 2006 to cover directors and officers.

GOING CONCERN

The Company has adequate availability of financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DISCLOSURE OF INFORMATION PROVIDED TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

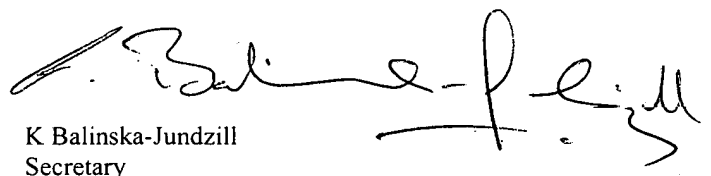
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

APPOINTMENT OF AUDITORS

Deloitte LLP was appointed and has expressed its willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,

26 September 2016


K Balinska-Jundzill
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 (IFRSs) 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 applicable IFRS 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.

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

Independent auditor's report to the members of JWB Lease Holdings Limited

We have audited the Company financial statements of JWB Lease Holdings Limited for the period ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

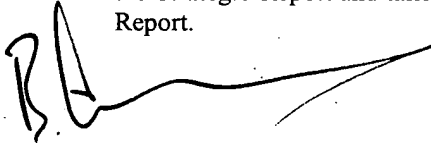
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

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; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



Ben Jackson FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
26 September 2016

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 27 October 2015 to 31 December 2015

	<u>Notes</u>	<u>27 October to</u> <u>31 December 2015</u>
		<u>£</u>
<u>Continuing Operations</u>		
Investment revenue	2	(6,180)
Interest expense	3b	(79)
		<hr/>
Gross margin		(6,259)
		<hr/>
LOSS BEFORE TAXATION	3	(6,259)
Tax credit	4	8,782
		<hr/>
PROFIT FOR THE YEAR		2,523
		<hr/> <hr/>
<u>Other Comprehensive Income</u>		
Other comprehensive income for the year net of tax		-
		<hr/>
Total comprehensive income for the year net of tax		2,523
		<hr/> <hr/>
Profit attributable to:		
Equity holders of the parent		2,523
		<hr/> <hr/>
Total comprehensive profit:		
Equity holders of the parent		2,523
		<hr/> <hr/>

The above results derive from continuing activities.

The Company has no recognised gains and losses in the current period other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents.

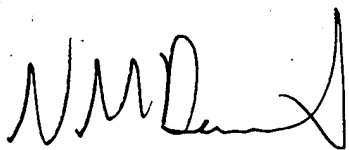
JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<u>Notes</u>	<u>31 December</u> <u>2015</u> <u>£</u>
ASSETS		
NON-CURRENT ASSETS		
Other investments	6	172,011
		<hr/>
		172,011
		<hr/>
CURRENT ASSETS		
Other receivables	5	40,547
Cash and cash equivalents		-
		<hr/>
		40,547
		<hr/>
TOTAL ASSETS		<hr/>
		212,558
		<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Borrowings	7	139,480
Deferred tax liabilities	8	31,765
		<hr/>
		171,245
		<hr/>
TOTAL LIABILITIES		<hr/>
		171,245
		<hr/>
NET ASSETS		<hr/>
		41,313
		<hr/>
EQUITY		
Share capital	9	2
Share premium		38,788
Retained earnings		2,523
		<hr/>
TOTAL EQUITY AND RESERVES		<hr/>
		41,313
		<hr/>

Approved by the board of directors and authorised for issue on 26 September 2016 and signed on its behalf by:



Director N. M. Dent

The notes on pages 12 to 22 form an integral part of the financial statements.

The company registration number is 09843903

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

STATEMENT OF CHANGES IN EQUITY

From 27 October 2015 to 31 December 2015

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
As at 27 October 2015 (date of incorporation)	2	-	-	2
Additional contribution during the year	-	38,788	-	38,788
Total comprehensive income for the period	-	-	2,523	2,523
Balance as at 31 December 2015	<u>2</u>	<u>38,788</u>	<u>2,523</u>	<u>41,313</u>

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

CASH FLOW STATEMENT

For the period from 27 October 31 December 2015

	<u>Notes</u>	<u>27 October to</u> <u>31 December 2015</u> <u>£</u>
Net cash flow from operating activities	14b	(6,180)
<u>Investing activities</u>		
Acquisition of investment in subsidiaries		(178,224)
Income and distributions from partnerships		6,213
Net cash flow from investing activities		(172,011)
<u>Financing activities</u>		
Loans raised		139,402
Share Capital		1
Share Premium		38,788
Net cash flow (used in) / from financing activities		178,191
Net increase in cash and cash equivalents		-
Cash at the beginning of the year		-
Cash at the end of the year	14b	-

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

(a) Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been prepared under the historical cost convention.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9 “Financial Instruments” is effective for annual periods beginning on or after 1 January 2018
- IFRS 14 “Regulatory Deferral Accounts” is effective for annual periods beginning on or after 1 January 2016
- IFRS 15 “Revenue from Contracts with Customers” is effective for annual periods beginning on or after 1 January 2017
- 2015 Amendments to the IFRS for SMEs are effective for annual periods beginning on or after 1 January 2017
- Amendments to IAS 19 “Defined Benefit Plans Employee Contributions” are effective for annual periods beginning on or after 1 February 2015
- Amendments to IFRS 11 “Joint Arrangements: Accounting for Acquisitions of Interests” are effective for annual periods beginning on or after 1 January 2016
- Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation” are effective for annual periods beginning on or after 1 January 2016
- Amendments to IAS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” are effective for annual periods beginning on or after 1 January 2016
- Amendments to IFRS 10, IFRS 12 and IAS 27 – “Investment Entities: Applying the Consolidated Exception”) are effective for annual period beginning on or after 1 January 2016
- Amendments to IAS 1 “Disclosure Initiative” are effective for annual periods beginning on or after 1 January 2016
- Annual improvements “2010-2012 Cycle” are effective from 1 February 2015
- Annual improvements “2012-2014 Cycle” are effective from 1 January 2016

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements.

In August 2014, the IASB issued amendments to IAS 27 Separate Financial Statements which is effective for periods beginning on or after 1 January 2016. The amendments allowed the use of the equity method for accounting of investments in associates.

The company has early adopted the above amendments and elected to account for the investments in limited partnerships under the equity method, as management considered this method to be more appropriate for the accounting of these investments.

NOTES TO THE FINANCIAL STATEMENTS

(b) Income

Share in income / loss from Partnerships is recognised based on the company's share of the partnership profits and losses (per the partnership agreement).

(c) Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(d) Financial Instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Other receivables

Other receivables are initially recognised at fair value and subsequently valued at amortised cost, using the effective interest rate method. This is the rate that exactly discounts estimated future cash flow payments or receipts through the expected life of the financial instrument. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. Other receivables are categorised as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(e) Other investments

Investments in an associate are accounted for using the equity method of accounting less provision for any impairment.

Distributions received from the partnerships are recognised when the entities right to receive the distributions have been established. Any distributions that are received in excess of post-acquisition profits are recognised as a reduction of the cost of the investment.

(f) Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting judgements, estimates and assumptions (Continued)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on deferred taxes are disclosed in Note 8.

2. REVENUE

	<u>27 October to</u> <u>31 December 2015</u>
	<u>£</u>
Income received from partnerships (Refer to Note 6)	(6,213)
Gain on acquisition of the partnership	33
	<hr/>
	(6,180)
	<hr/>

Income has been derived from activities within the UK.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	<u>27 October to</u> <u>31 December 2015</u>
	<u>£</u>
(a) Auditors' remuneration - audit fees	-
	<hr/>
Audit fees payable for the audit of the company's annual financial statements amounted to £8,000. These fees are paid by the ultimate parent company, Société Générale.	
(b) Interest payable. Interest payable to the group companies £79 (Refer to Note 10).	(79)
	<hr/>

JWB LEASE HOLDINGS LIMITED
FOR THE PERIOD FROM 27 OCTOBER TO 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

4. TAXATION

(a) Analysis of the tax credit in the period

	<u>27 October to</u> <u>31 December 2015</u>	<u>27 October to</u> <u>31 December 2015</u>
	<u>£</u>	<u>£</u>
Corporation tax:		
Corporation tax charge for the period		40,547
Total current tax credit		40,547
Deferred tax:		
Origination and reversal of timing differences		
Current period movement	(35,730)	
Effect in the change in tax rate	3,965	
		(31,765)
Tax credit on loss on ordinary activities		8,782

(b) The total credit for the period can be reconciled to the accounting (loss) / profit as follows:

	<u>27 October to</u> <u>31 December 2015</u>
	<u>£</u>
Loss before taxation	(6,259)
Tax credit on loss at standard rate of 20.247%	1,267
Factors affecting the charge:	
Transfer pricing adjustments	3,543
Change of tax rate	3,972
Tax credit on loss on ordinary activities	8,782

5. DEBTORS

	<u>31 December</u> <u>2015</u>
	<u>£</u>
Amounts falling due within one year:	
U.K. Corporation tax (Group Relief)	40,547
	40,547

The directors consider that the remaining carrying amount of other receivables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER INVESTMENTS

The company has the following investment undertakings:

	<u>Country of Incorporation</u>	<u>%</u>
JWB Partnership	Great Britain	0.100%
		<u>Capital Contribution 27 October to 31 December 2015</u>
		<u>£</u>
Opening balance		-
Acquisitions during the period		178,224
JWB Partnership		178,224
Share of loss in partnership:		(6,213)
JWB Partnership		(6,213)
Closing balance		172,011
Analysed as:		
Current investments (Recoverable within 12 months)		-
Non-current investments (Recoverable after 12 months)		172,011
		172,011

7. BORROWINGS

	<u>31 December 2015</u>
	<u>£</u>
Amounts falling due within one year:	
Borrowings owed to group undertakings	139,480
Total borrowings and other payables	139,480

The directors consider that the carrying amount of borrowings and other payables approximates their fair value.

The directors consider that the carrying amount of other payables approximates their fair value. The fair value hierarchy of the borrowings is classified as Level 2 in accordance with IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAXATION

Deferred tax was not provided in respect of tax depreciation carried forward, on the basis that there was no certainty that the asset would be recovered.

	<u>31 December</u> <u>2015</u> £
(a) <u>Analysis of deferred tax balances</u>	
Accelerated capital allowances	(31,765)
	<u>(31,765)</u>
	<u>31 December</u> <u>2015</u> £
(b) <u>Analysis of movement in provision</u>	
Provision at beginning of period	-
Deferred tax charged to profit and loss for the period	(31,765)
	<u>(31,765)</u>
Provision at end of period	<u>(31,765)</u>

9. SHARE CAPITAL

	<u>31 December</u> <u>2015</u> £
Issued and fully paid:	
2 ordinary shares of £1 each, fully paid	2
	<u>2</u>

10. RELATED PARTY TRANSACTIONS

Trading transactions

	<u>Amounts</u> <u>owed to</u> <u>related parties</u>
	<u>31 December</u> <u>2015</u> £
SG Leasing (March) Limited	139,480
	<u>139,480</u>

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY TRANSACTIONS (CONTINUED)

	<u>Group</u> <u>interest paid</u> <u>31 December</u> <u>£</u>
SG Leasing (March) Limited	79
	<hr/> 79 <hr/>

JWB Lease Holdings Limited is a subsidiary of SG Leasing (March) Limited whose immediate holding company is Société Générale Investments (U.K.) Limited.

Société Générale London is a branch of Société Générale, which is incorporated in France.

Transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions.

For the period ended, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

The ultimate holding company, controlling party and parent of the smallest and largest group for which group accounts are prepared is Société Générale (Refer to Note 12).

The amounts outstanding are unsecured and have no fixed date of repayment.
No guarantees have been given or received.

Remuneration of key management personnel

The remuneration of the directors, has been set out in Note 11.

Directors' transactions

There were no loans, quasi-loans or any other transactions carried out with the directors during the period other than what has already been disclosed in the directors report.

11. EMPLOYEES COST AND DIRECTORS' EMOLUMENTS

The directors received no emoluments for services to the company or SG Leasing (March) Limited during the year. None of the directors had any material interest in any contract in relation to the business of the company.

The company does not have any employees for 2015. All personnel who perform services are employed and remunerated by Société Générale London Branch.

12. HOLDING AND CONTROLLING COMPANY

The company is a subsidiary of SG Leasing (March) Limited whose immediate holding company is Société Générale Investments (U.K.) Limited. Both companies are incorporated in Great Britain and registered in England and Wales.

The company's ultimate holding company, controlling party and parent of the smallest and largest group for which group accounts are prepared is Société Générale, which is incorporated in France. Copies of the group accounts of Société Générale are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France.

NOTES TO THE FINANCIAL STATEMENTS

14. NOTES TO THE CASH FLOW STATEMENT

	<u>27 October</u> <u>to 31 December</u> <u>2015</u> <u>£</u>
(a) <u>Reconciliation of cash</u>	
Cash and cash equivalents	-
(b) <u>Reconciliation of profit on ordinary activities to cash from operating activities</u>	
Loss on ordinary activities before tax	(6,259)
Adjusted for:	
Interest expense	79
Operating cash flows before working capital changes	(6,180)
Cash flow from operations	(6,180)
Income taxes	-
	(6,180)

15. FINANCIAL INSTRUMENTS

The management of risks in relation to financial instruments is an integral part of Société Générale's (The Group) corporate culture. The risks encountered by the Company (the company in the context of the SGIUK group of companies) are managed on its behalf by Société Générale. The main risks incurred in the Company's activities are as follows:

i) Credit Risk

The Company's principal financial assets exposed to credit risk are other receivables. The Company is exposed to credit risk to the extent that its customers may experience financial difficulty and would be unable to meet their obligations.

To mitigate exposure to credit risk the Group has a risk approval process that is based on five principles:

- All transactions giving rise to a counterparty risk must be authorised in advance;
- All requests for authorisations relating to a specific client or client group are handled by a central operating division called the Risk Division. This division is designated, on a case by case basis, to ensure a consistent approach to risk management and the permanent control of Société Générale's potential exposure;
- Systematic recourse to internal risk ratings. These ratings are provided by the operating divisions that are able to enter into financial exposure with a client and are validated by the Risk Division; they are included in all loan applications and are considered as part of the decision process regarding the issue of a loan;
- Responsibility for analysing and approving risk is delegated to specific credit risk units;
- Risk assessment departments are fully independent at each decision making level.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS (CONTINUED)

The Risk Division aims to increase Société Générale's expertise by centralising the analysis of the quality of Société Générale's counterparties and the approval of exposure limits allocated to all locations and business lines.

The maximum credit risk that the Company is exposed to, without taking into account any collateral held or other credit enhancements, is the gross carrying amount of other receivables granted. The gross carrying amounts are declared in the balance sheet and the notes to the accounts.

The Company is not aware of any material items that would affect the credit quality of its financial assets. The Company has no financial assets whose carrying value would be impaired or considered to be past due but for renegotiation of their terms.

ii) Market Risk: Interest Rate Risk and Sensitivity Analysis

As the principal business of the company is investments in Partnership, in which the underlying asset is a finance lease, it has a potential market risk exposure to movements in interest rates. Société Générale's policy is to concentrate interest rate risks within the capital market activities. These are monitored and controlled by the Group using 'Value at Risk' assessment models.

Therefore the Company is constrained from entering into transactions where there is a significant interest rate exposure. If a fixed rate lease or loan is entered into by the Company it must be financed on an equal fixed rate basis with one of the dedicated market teams. As this effectively hedges any interest rate risk exposure there is no sensitivity to interest rate movements in the Company's accounts.

Where the fixing date is greater than one year, in the absence of an actively traded market, the fair value is calculated by discounting future cash flow to present values based on a market rate yield curve.

iii) Currency Risk

The company has no borrowings in any other foreign currency. Where the company enters into exposures other than Sterling, it will hedge these exposures with Société Générale and translate those amounts at the spot rate prevailing at the end of the year.

iv) Fair Values

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The hierarchy establishes three categories for valuing financial instruments, giving the highest priority to unadjusted active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure an asset or a liability fall to different levels within the hierarchy, the classification of the entire asset or liability will be based on the lowest level input that is significant to the overall fair value measurement of the asset or liability.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS (Continued)

iv) Fair Values (Continued)

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, credit spreads or interest rates and yield curves observable at commonly quoted intervals); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The Company develops unobservable inputs using the best information available in the circumstances, which would include the Company's own data, taking into account all information about market participant assumptions that is reasonably available.

Where the interest rate fixing date of loans, receivables and lease financing transactions are less than one year they are considered to approximate their carrying value due to the short-term nature of these instruments.

Where the fixing date is greater than one year, in the absence of an actively traded market, the fair value is calculated by discounting future cash flow to present values based on a market rate yield curve. The fair value hierarchy of these loans is classified as Level 2.

v) Liquidity Risk

The principles and standards applicable to the management of liquidity risk are defined at Group level. The Company is responsible for managing its own liquidity and for respecting any liquidity constraints locally or those provided by the Asset Liability Management Department, a dedicated division that manages liquidity in the Group overall.

The financial liabilities declared below include inter-company balances with, and subsidiaries of, the Company's ultimate parent company Société Générale.

(a) Maturity analysis of financial liabilities

	<u>Less than 1</u> <u>year</u> <u>31 December</u> <u>2015</u> <u>£</u>	<u>2 to 5 years</u> <u>31 December</u> <u>2015</u> <u>£</u>	<u>Greater than</u> <u>5 years</u> <u>31 December</u> <u>2015</u> <u>£</u>
Financial liabilities			
Borrowings and interest owed to group undertakings	139,480	-	-
	<u>139,480</u>	<u>-</u>	<u>-</u>

The above being the undiscounted cash flow expected to be made.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS (Continued)

(b) Financial assets and liabilities held at amortised cost

	<u>31 December</u> <u>2015</u> £
Financial assets	40,547
Financial liabilities	139,480

It is Société Générale's treasury teams which ultimately manage the liquidity exposure of the Group. The objective is to finance the Group's activities at the best possible rates under normal conditions and ensure it can meet its obligations in the event of a crisis.

vi) Concentration Risk

Although the Company's assets are concentrated by geography, type of client and economic sector this is ameliorated by its parent company, SG Leasing (March) Limited, which through its other subsidiaries, achieves suitable diversification.

vii) Capital Management Policies and Procedures

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern; and
- To provide an adequate return to shareholders.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital structure

	<u>31 December</u> <u>2015</u> £
Share Capital	2
Share premium	38,788
Retained Earnings	2,523
Total capital	41,313