



**BNP PUK HOLDING LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**REGISTERED OFFICE:  
10 HAREWOOD AVENUE  
LONDON  
NW1 6AA**

**REGISTERED NUMBER: 2028843  
REGISTERED IN ENGLAND AND WALES**

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# **BNP PUK HOLDING LIMITED**

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# **BNP PUK HOLDING LIMITED**

## **COMPANY INFORMATION, DIRECTORS AND ADVISORS**

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### **Directors**

Helen Louise Fletcher D'Arjuzon

Francois Draveny

\*Frederick Ronald Nicholas Etherington-Chillcott (appointed 3 December 2019)

Samantha Gerhart (appointed 24 September 2019)

Stephen Martin Middleton (resigned 10 June 2019)

Christopher Mark Penney

Kara Lemont Sportelli

### **Registered Office**

10 Harewood Avenue

London

NW1 6AA

United Kingdom

### **Company Number**

Registered in England and Wales No. 2028843

### **Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditor

7 More London, Riverside

London

SE1 2RT

## **BNP PUK HOLDING LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Directors present their Strategic Report of BNP PUK Holding Limited (the "Company") for the year ended 31 December 2019.

#### **Principal Activities**

The Company's principal activity is that of a holding company for a number of BNP Paribas Group subsidiaries and investments.

#### **Strategic Aims**

The Company will continue to seek opportunities to invest in equity holdings for the BNP Paribas Group in the UK.

#### **Review of the Business and Performance**

The Company continued to act as a holding company for a number of BNP Paribas Group subsidiaries and investments.

As shown in the Company's Income Statement, profit for the year was £9.8 million (2018: £1.6 million). During the year the Company recognised £9.8 million unrealised net gain on financial assets (2018: £1 million loss).

As shown in the Company's Balance Sheet, total assets for the year ended 31 December 2019 were £75.7 million (2018: £56.1 million). During the year, the Company recognised £8.9 million net increase in the fair value of investments and £10 million increase in the term loan.

Total shareholders' funds for the year ended 31 December 2019 were £53.4 million (2018: £45.5 million).

Two of the wholly owned subsidiaries of the Company, Paribas Premier Leasing Limited and BNP Paribas CMG Limited, were placed into liquidation in 2019 and these are expected to be completed in 2020.

Refer to note 11 of the Financial Statements for more details on the subsidiaries of the Company.

#### **Key Performance Indicators**

There are no key performance indicators ("KPIs") that are specific to the Company. The Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Principal Risks and Uncertainties**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Refer to note 2 for more details on financial risk management.

#### **Future Developments**

The Company will continue to act as a holding company for a number of BNP Paribas Group subsidiaries and other investments.

#### **Statement of Impact of Brexit**

In June 2016, the British people took the decision to leave the European Union ("Brexit"). The Board has not observed any significant impact caused by Brexit on the Company to date and does not envisage any impact on the Company's operations in the foreseeable future.

**COVID-19**

The COVID-19 pandemic is a developing situation and at this stage the Board is not in a position to speculate on the duration nor its future impact on the Company. The outbreak is not currently classified as a principle risk to the business and to date the Company has seen no material impact, however, it will continue to monitor the situation closely.

**Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006**

Section 172 of the Companies Act 2006 ("the Act") requires Directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a)-(f) of the Act. The following section sets out how the Directors have engaged with the Company's stakeholders during the year.

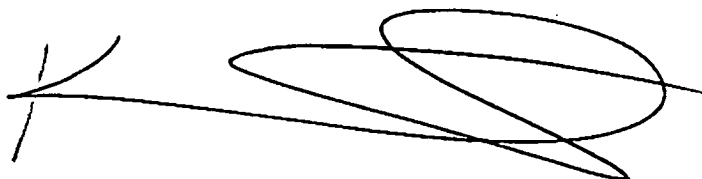
The Company has no employees, however, as a subsidiary holding Company within the BNP Paribas Group ("the Group"), the Directors consider the impact of the Company's activities on its shareholder, its subsidiaries, the BNP Paribas businesses that have an interest in the Company's investments and other stakeholders. The Company's stakeholders are consulted routinely on a wide range of matters including funding decisions, investment strategy, governance of its subsidiaries and compliance with Group policies with the aim of maximising investment returns for the benefit of its shareholder and ensuring that its subsidiaries maintain high standards of business conduct and governance.

The Company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. The Directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term. Alternative sources of funding were recommended to one of its subsidiaries during the year.

The performance of the Company's investments are monitored periodically with executives from the BNP Paribas businesses that have an interest in and are responsible for managing such investments. The Board considered the Company's investments in light of the Group's corporate and social responsibility strategy and requested businesses to consider changing the composition of the Company's investments to align to the Group's strategy.

The Directors continued to provide oversight governance of its subsidiaries to ensure that they comply with the Group's policies and maintain high standards of business conduct. The subsidiaries provide regular updates on their activities to the Directors. During the year under review the Directors requested the appointment of their nominated Director to the Board of one its subsidiaries to broaden the skills and experience of its board. Subsequent to the year end, the nominated Director was appointed by the subsidiary board.

A copy of this statement is available on the parent company's website, [www.bnpparibas.co.uk/en/legal-privacy/sl72-statements](http://www.bnpparibas.co.uk/en/legal-privacy/sl72-statements).



**Kara Lemont Sportelli**  
Chair

**19 May 2020**

## **BNP PUK HOLDING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Directors present their Annual Report and the audited Financial Statements of BNP PUK Holding Limited for the year ended 31 December 2019.

The Company is a wholly-owned subsidiary of BNP Paribas S.A, the ultimate parent undertaking. The Company was incorporated in the United Kingdom ("UK") on 17 June 1986 and is registered in England and Wales. Its principal place of business is the UK.

#### **Information disclosed in the Strategic Report**

A discussion around future developments, as required to be disclosed in this Report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, is covered in the Strategic Report on page 3.

#### **Overview of Risk Management**

The Directors are responsible for identifying risks to which the Company is exposed and implementing a risk management programme. Financial risk is considered to have the highest potential for a loss event and is explained in further detail below.

#### **Financial Risk Management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Refer to note 2 of the Financial Statements for more details on financial risk management.

#### **Dividends**

During the year, the Directors declared and paid an interim dividend on ordinary shares of £1.6 million (2018: £15 million).

#### **Capital structure**

Details of the issued share capital, together with details of the movements in the Company's issued share capital are shown in note 16 of the Financial Statements.

#### **Charitable and political donations**

No donations were made during the year (2018: £ nil).

#### **Directors**

The Directors holding office during the year were as follows:

Helen Louise Fletcher D'Arjuzon

Francois Draveny

Frederick Ronald Nicholas Etherington-Chillcott (appointed 3 December 2019)

Samantha Gerhart (appointed 24 September 2019)

Stephen Martin Middleton (resigned 10 June 2019)

Christopher Mark Penney

Kara Lemont Sportelli

**Directors' Duties**

The Directors consider that they have acted in the way that they consider in good faith would be most likely to promote the success of the Company for the benefit of its Member as a whole (having regard to the matters set out in Section 172(1)(a)-(f) of the Act) in the principal decisions taken by the Board during the year. Refer to the Strategic Report on page 3 for further details on how the Directors had regard to its stakeholders in its principal decisions during the year.

**Directors' Third Party Indemnity Provisions**

The ultimate parent undertaking has put in place qualifying third party indemnity provisions in the form of a Directors and Officers' liability insurance policy, for the benefit of the Company's Directors, effective throughout the year and which remain in force at the date of this report.

**Going Concern and Liquidity**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The Company has adequate financial resources in the form of financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, financial assets at amortised cost, and cash and cash equivalents which more than cover any payables under which it is currently obligated.

**Statement of Directors' Responsibilities in Respect of the Financial Statements**

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 prepared the Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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 Act.

**BNP PUK HOLDING LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Independent Auditors and Disclosure of Information to Auditors**


PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Act.

The Directors who held office at the date of approval of this Directors' Report confirm that:

- (a) so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- (b) each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Act.

On behalf of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

**Kira Lemont Sportelli**  
Chair

19 May 2020



## **BNP PUK HOLDING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BNP PUK HOLDING LIMITED**

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#### **Report on the audit of the Financial Statements**

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##### **Opinion**

In our opinion, BNP PUK Holding Limited's Financial Statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Income Statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

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##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

##### *Strategic Report and Directors' Report*

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 year ended 31 December 2019 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements.

## **BNP PUK HOLDING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BNP PUK HOLDING LIMITED**

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

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the Directors for the Financial Statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 6, the Directors are responsible for the preparation of the Financial Statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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.

##### *Auditors' 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 auditors' 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 auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Financial Statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Daniel Brydon (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 May 2020

**BNP PUK HOLDING LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
Income from investments in subsidiaries	3	1,297	18
Impairment (loss) / writeback on investments in subsidiaries	11	(101)	1,293
Gain / (loss) on financial assets at fair value through profit or loss		9,779	(1,001)
Other income	4	205	126
Foreign exchange gain / (loss)		163	(32)
<b>Net investment income</b>		<b>11,343</b>	<b>404</b>
Interest income	5	381	1,590
Interest expense	6	(103)	(52)
<b>Net interest income</b>		<b>278</b>	<b>1,538</b>
Administrative expenses	7	(28)	(38)
<b>Operating profit</b>		<b>11,593</b>	<b>1,904</b>
<b>Profit before taxation</b>	8	<b>11,593</b>	<b>1,904</b>
Taxation	9	(1,816)	(268)
<b>Profit for the year</b>		<b>9,777</b>	<b>1,636</b>

The results for both years are wholly derived from continuing operations.

The notes on pages 15 to 33 form part of these Financial Statements.

**BNP PUK HOLDING LIMITED****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
<b>Profit for the year</b>		<b>9,777</b>	<b>1,636</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that will not be reclassified into profit or loss:</b>			
Revaluation on financial assets at fair value through other comprehensive income	12	(409)	86
Tax on revaluation on financial assets at fair value through other comprehensive income	17	165	(16)
<b>Total other comprehensive (loss) / income</b>		<b>(244)</b>	<b>70</b>
<b>Total comprehensive income attributable to equity shareholders</b>		<b>9,533</b>	<b>1,706</b>


The notes on pages 15 to 33 form part of these Financial Statements.

**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Notes	31 December 2019 £'000	31 December 2018 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	4,395	4,496
Financial assets at fair value through other comprehensive income	12	6,774	7,183
Financial assets at fair value through profit or loss	12	15,335	6,402
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26,504</b>	<b>18,081</b>
<b>Current assets</b>			
Other receivables	13	174	215
Financial assets at amortised cost	14	47,680	37,600
Cash and cash equivalents	15	1,301	165
<b>TOTAL CURRENT ASSETS</b>		<b>49,155</b>	<b>37,980</b>
<b>TOTAL ASSETS</b>		<b>75,659</b>	<b>56,061</b>
<b>EQUITY</b>			
Share capital	16	40,000	40,000
Fair value through other comprehensive income reserves		3,286	3,530
Retained earnings		10,098	1,956
<b>TOTAL EQUITY</b>		<b>53,384</b>	<b>45,486</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	2,785	1,212
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,785</b>	<b>1,212</b>
<b>Current liabilities</b>			
Borrowings	18	19,042	8,833
Other payables	19	448	530
<b>TOTAL CURRENT LIABILITIES</b>		<b>19,490</b>	<b>9,363</b>
<b>TOTAL LIABILITIES</b>		<b>22,275</b>	<b>10,575</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>75,659</b>	<b>56,061</b>

The notes on pages 15 to 33 form part of these Financial Statements.

The Financial Statements on pages 10 to 33 were approved by the Board of Directors on 19 May 2020 and were signed on its behalf and authorised for issue by:

  
Kara Lemont Sportelli  
Chair

**BNP PUK HOLDING LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share Capital	Fair value through other comprehensive income reserves	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000
At 1 January 2018	257,053	3,460	15,315	275,828
Capital reduction	(217,053)	-	-	(217,053)
Dividend paid	-	-	(14,995)	(14,995)
Profit for the year	-	-	1,636	1,636
Other comprehensive profit / (loss):				
Revaluation on financial assets at fair value through other comprehensive income reserves (note 12)	-	86	-	86
Tax on revaluation on financial assets at fair value through other comprehensive income reserves (note 17)	-	(16)	-	(16)
<b>At 31 December 2018</b>	<b>40,000</b>	<b>3,530</b>	<b>1,956</b>	<b>45,486</b>
At 1 January 2019	40,000	3,530	1,956	45,486
Dividend paid (note 10)	-	-	(1,635)	(1,635)
Profit for the year	-	-	9,777	9,777
Other comprehensive (loss) / profit:				
Revaluation on financial assets at fair value through other comprehensive income reserves (note 12)	-	(409)	-	(409)
Tax on revaluation on financial assets at fair value through other comprehensive income reserves (note 17)	-	165	-	165
<b>At 31 December 2019</b>	<b>40,000</b>	<b>3,286</b>	<b>10,098</b>	<b>53,384</b>

The notes on pages 15 to 33 form part of these Financial Statements.

**BNP PUK HOLDING LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
<b>Profit before taxation</b>		<b>11,593</b>	<b>1,904</b>
Adjustments for:			
— Income from investments in subsidiaries	3	(1,297)	(18)
— Interest income	5	(381)	(1,590)
— Interest expense	6	103	52
— Impairment loss / (writeback) on investments in subsidiaries	11	101	(1,293)
— (Loss) / gain on financial assets at fair value through profit or loss		(9,779)	1,001
— Other income	4	(205)	(126)
— Foreign exchange gains		410	218
<b>Changes in working capital:</b>			
— Increase in other receivables		(29)	-
— (Decrease) / increase in other payables		(10)	10
<b>Cash flows from operating activities</b>			
Cash generated from operations		506	158
Interest received		451	1,546
Interest paid		(77)	(51)
Tax (paid) / received		(176)	3,901
<b>Net cash flows generated from operating activities</b>		<b>704</b>	<b>5,554</b>
<b>Cash flows from investing activities</b>			
Financial assets at amortised cost		(10,080)	12,400
Income from investments in subsidiaries		1,297	18
Dividend income from financial assets at fair value through other comprehensive income		201	126
Dividend income from financial assets at fair value through profit or loss		4	-
<b>Net cash flows used in investing activities</b>		<b>(8,578)</b>	<b>12,544</b>
<b>Cash flows from financing activities</b>			
Return of capital		-	(217,053)
Dividend paid		(1,635)	(14,995)
Net increase / (repayment) of borrowings		11,089	(1,287)
<b>Net cash flows generated from (used in) financing activities</b>		<b>9,454</b>	<b>(233,335)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,580</b>	<b>(215,237)</b>
Cash and cash equivalents as at 1 January		(300)	214,937
<b>Cash and cash equivalents at 31 December</b>		<b>1,280</b>	<b>(300)</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents	15	1,301	165
Overdrafts	18	(21)	(465)
<b>Cash and cash equivalents at 31 December</b>		<b>1,280</b>	<b>(300)</b>

The above illustrates the indirect method of reporting cash flows from operating activities.

The notes on pages 15 to 33 form part of these Financial Statements.

**1. Accounting policies**

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. These policies have been consistently applied during the year presented, unless otherwise stated.

**(a) Basis of preparation**

These Financial Statements have been prepared in accordance with United Kingdom law and International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU'), the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS IC interpretations. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 1(b).

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. None of these are expected to have a significant effect on the Financial Statements of the Company.

There are no IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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 IAS 27, "Consolidated and separate Financial Statements", from the requirement to prepare consolidated Financial Statements as it and its subsidiaries are included by full consolidation in the consolidated Financial Statements of its ultimate parent undertaking, BNP Paribas S.A which is a company incorporated in France. Copies of the Group Financial Statements can be obtained from BNP Paribas S.A, 16 Boulevard des Italiens, 75009 Paris, France.

**Going concern and liquidity**

At the date of approving the Financial Statements the Directors have a reasonable expectation that the Company will continue to have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. This is discussed in the Directors' Report on page 6 under the heading of 'Going concern and liquidity'.

**(b) Critical accounting estimates and judgements**

The notes to the Financial Statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Financial Statements, specifically the fair value of financial instruments (note 12).

**(c) Revenue recognition**

*(i) Dividend income*

Dividend income arises on a) investments in subsidiaries, and is disclosed in the Income Statement as 'income from investments in subsidiaries' when the Company's right to receive a dividend is established, and b) financial assets at FVOCI or financial assets at FVPL, and is disclosed in the income statement as 'other income' when the Company's right to receive a dividend is established.

*ii) Interest income and expense*

Interest income arises from cash and cash equivalents and financial assets at amortised cost. Interest expense arises from borrowings. Interest income and expense are recognised in the Income Statement, using the effective interest rate method.



**1. Accounting policies (continued)**

**(d) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the Financial Statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Sterling, which is the Company's functional, and presentation currency and the currency in which the majority of the Company's revenue streams, assets, liabilities and funding is denominated.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation on non-monetary items in respect of which gains and losses are recognised directly in the Statement of Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the Statement of Comprehensive Income.

**(e) Investments in subsidiaries**

Investments in subsidiaries are equity investments, accounted for at cost less any impairment.

**(f) Impairment of investments in subsidiaries**

At each balance Sheet date, or more frequently where events or changes in circumstances dictate, investments in subsidiaries are assessed for indications of impairment. If indications are present these investments are subject to an impairment review. The impairment review for equity investments comprises a comparison of the carrying amount of the asset with its recoverable amount: higher of fair value less costs to sell or value in use.

The carrying values of the investments in subsidiaries are written down by the amount of any impairment, and this loss is recognised in the Income Statement in the year in which it occurs, with any subsequent reversal also recognised in the Income Statement.

**(g) Financial assets**

**Initial recognition**

All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified at FVPL, which are initially measured at fair value.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company classifies its financial assets in the following categories: 'financial assets at amortised cost', 'financial assets at FVOCI' and 'financial assets at FVPL'. Management determines the classification of its financial assets based on the business model objective and the characteristics of the contractual cash flows.

**1. Accounting policies (continued)**

**(g) Financial assets (continued)**

*i) Financial assets at amortised cost*

Financial assets at amortised cost are financial assets that have fixed or determinable payments. Financial assets at amortised cost are recognised initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

The carrying value of financial instruments that are not measured at fair value does not materially differ from their fair value unless otherwise stated in the Financial Statements.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*ii) Financial assets at FVOCI and financial assets at FVPL*

These financial assets are equity instruments with an option to elect to report changes in fair value through other comprehensive income reserves or through profit or loss.

**Measurement**

*Financial assets at FVOCI and financial assets at FVPL*

Financial instruments are classified into three levels in descending order of the observability of their value and of the inputs used for their valuation:

**Level 1 - Financial instruments with quoted market prices:** This level comprises financial instruments with quoted prices in an active market that can be used directly.

**Level 2 - Financial instruments measured using valuation techniques based on observable inputs:** This level consists of financial instruments measured by reference to the price of similar instruments quoted in an active market or to identical or similar instruments quoted in a non-active market, but for which transaction prices are readily available on the market or, instruments measured using valuation techniques based on observable inputs.

**Level 3 - Financial instruments measured using valuation techniques based on non-observable inputs:** This level comprises financial instruments measured using valuation techniques based wholly or partially on non-observable inputs. A non-observable input is defined as a parameter, the value of which is derived from assumptions or correlations not based either on observable transaction prices for the identical instrument at the measurement date or observable market data available at the same date. An instrument is classified in Level 3 if a significant portion of its valuation is based on non-observable inputs.

Gains or losses arising from changes in the fair value of FVOCI financial assets, net of taxation, are recognised in equity.

**The valuation techniques for financial assets**

The fair value of investments in listed equity instruments is based on the quoted share price.

Investments valued using valuation techniques or pricing models primarily consist of unquoted equities. These assets are valued using models that use both observable and unobservable data. The observable inputs to the models include but are not limited to assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

**1. Accounting policies (continued)**

**(g) Financial assets (continued)**

**Derecognition**

When FVOCI assets are sold, impaired or derecognised, the accumulated fair value adjustments recognised in equity are transferred to retained earnings and not recycled in the Income Statement.

When FVPL assets are sold, impaired or derecognised, the fair value adjustments are recognised in the Income Statement.

**(h) Impairment of financial assets**

Impairment calculation on the Company's financial assets under IFRS 9 moved from an incurred loss model to an expected credit loss ("ECL") model. The ECL impairment model applies to financial assets at amortised cost which include trade receivables, settlement balances, deposits paid for securities borrowed, and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either:

- 12-month ECLs: these are ECLs that result from the expected default events within 12 months after the reporting date; and
- Lifetime ECLs non-impaired assets: these are ECLs that result from all possible default events over the expected life of the financial instrument.
- Lifetime ECLs credit-impaired financial assets: these are assets that have objective evidence of impairment at the reporting date and the loss allowance is measured for an amount equal to the lifetime expected credit loss.

When determining whether the credit risk on a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information available. This is both quantitative and qualitative information, and the analysis is based on the Company's historical experience and informed credit assessment including forward looking information.

*Measurement of expected credit loss*

The ECLs are probability-weighted scenarios in view of past events, current conditions and reasonable and supportable economic forecasts. Credit loss is measured as the present value of all the cash shortfalls representing the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the entity is expected to receive. ECLs are discounted at the effective interest rate of the financial asset.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective rate.

**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, intra-group balances repayable on demand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

**1. Accounting policies (continued)**

**(j) Share capital**

Ordinary shares and capital contributions that evidence a residual interest in the assets of the Company after deducting all of its liabilities are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

**(k) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the Balance Sheet date.

**(l) Dividend distribution**

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's Financial Statements in the year in which the dividends are approved by the Company's shareholder.

**(m) Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Amounts to be recovered are classified as 'Group Relief' which represents the amount to the benefit arising from taxable losses of the Company.

Deferred 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. However, if the deferred tax arises from initial recognition of an asset or liability that at the time of the transaction, affects neither the accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

**(n) Other financial assets and liabilities**

The Company classifies its other financial assets as receivables. Receivables are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

The Company classifies its other financial liabilities as payables. Payables are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**2. Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign exchange risk, cash flow interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The exposures and risk management techniques have not changed significantly from the prior year.

**(a) Credit risk**

The Company takes on exposure to credit risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk arises from other receivables, financial assets at amortised cost, and cash and cash equivalents. These assets represent exposures to other Group undertakings. The Directors continue to monitor these exposures.

*Maximum exposure to credit risk before collateral held or credit enhancements*

	31 December 2019	31 December 2018
	£'000	£'000
Other receivables	174	215
Financial assets at amortised cost	47,680	37,600
Cash and cash equivalents	1,301	165
	<b>49,155</b>	<b>37,980</b>

The above table represents a worst case scenario of credit risk exposure for the Company at 31 December 2019 and 2018. The Company does not hold collateral against these exposures. The exposures set out above are based on the carrying amounts as reported in the Balance Sheet. There were no receivables which were past due or impaired. There are no concentrations of risk.

The expected credit loss model is not significant to the Company and is therefore not disclosed.

## 2. Financial risk management (continued)

## (b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Prudent liquidity risk management is achieved by maintaining sufficient cash and readily realisable marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The table below presents the cash flows payable by the Company by remaining contractual maturity at the Balance Sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 3 months £'000	3 – 6 months £'000	6 – 12 months £'000	1 – 5 years £'000	Over 5 years £'000	Total £'000
<b>As at 31 December 2019</b>						
<b>Financial liabilities</b>						
Overdrafts	21	-	-	-	-	21
Borrowings	19,021	-	-	-	-	19,021
Other payables	56	-	344	48	-	448
	19,098	-	344	48	-	19,490
<b>As at 31 December 2018</b>						
<b>Financial liabilities</b>						
Overdrafts	465	-	-	-	-	465
Borrowings	2,428	3,902	2,038	-	-	8,368
Other payables	40	-	146	344	-	530
	2,933	3,902	2,184	344	-	9,363

## (c) Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as interest rates, credit spreads, foreign exchange rates and equity prices.

## (i) Foreign exchange risk

The Company undertakes certain transactions denominated in foreign currencies. As a result, the Company is exposed to foreign exchange risk on its assets and liabilities as they are not all denominated in its functional currency of Sterling. This risk is transferred to BNP Paribas S.A, the ultimate parent undertaking on a monthly basis.

**2. Financial risk management (continued)**

**(c) Market risk (continued)**

*(ii) Interest rate risk*

The Company is exposed to cash flow interest rate risk as the Company borrows and lends funds at fixed rates in six month intervals. Instruments that reprice within a period of six months are considered variable. The Company's variable rate interest-bearing assets exceed its variable rate interest-bearing liabilities.

The sensitivity analyses below have been determined based on the following assumptions:

- the exposure to interest rates is on all financial instruments held at the Balance Sheet date, with the exception of financial assets at FVOCI and financial assets at FVPL;
- the stipulated change took place at the beginning of the financial year and held constant throughout the year;
- instruments that reprice within a period of six months are considered variable while those that reprice after six months are considered fixed; and
- a reasonably conservative rate change.

The sensitivity analysis shown below is representative of the risks inherent in the Company's financial instruments and asset and liability balances. The methods and assumptions used to prepare the sensitivity analysis are consistent for both years.

If interest rates had been 100 basis points higher (2018: 100 basis points higher) and all other variables were held constant, the Company's:

- profit for the year ended 31 December 2019 would increase by £490,000 (2018: increase by £378,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate assets which exceed its variable rate liabilities; and
- there would be no impact on FVOCI reserves as no FVOCI interest rate sensitive instruments are held by the Company.

A 100 basis point decrease in interest rates would have an inverse effect on profit or loss and equity.

*(iii) Price risk*

The Company is exposed to equity price risk arising from equity investments. Equity investments are held for strategic purposes.

*Equity price risk sensitivity*

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. 10% is considered to be a reasonably possible change in equity prices.

The sensitivity analysis shown below is representative of the risks inherent in the Company's financial instruments. The methods and assumptions used to prepare the sensitivity analysis are consistent for both years.

If the inputs to the valuation model had been 10% lower, while all other variables were held constant:

- profit for the year ended 31 December 2019 would decrease by £862,000 (2018: £61,000), as a result of the changes in assets at FVPL
- FVOCI reserves would decrease by £391,000 (2018: decrease by £436,000), entirely as a result of the changes in financial assets at FVOCI.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 3. Income from investments in subsidiaries

	2019	2018
	£'000	£'000
Dividend income from investments in subsidiaries	1,297	18

Dividend income during the year was received from BNP Paribas Net Limited of £1,292,000 and Paribas Premier Leasing Limited of £5,000.

Dividend income in 2018 was received from Paribas Premier Leasing Limited.

## 4. Other income

	2019	2018
	£'000	£'000
Other income	205	126
	205	126

The Company received a dividend of £200,800 (2018: £125,616) in respect of financial assets at FVOCI and £4,577 (2018: £ nil) in respect of financial assets at FVPL.

## 5. Interest income

	2019	2018
	£'000	£'000
Interest income on cash and cash equivalents	33	11
Interest income on financial assets at amortised cost	348	1,579
	381	1,590

Interest income on financial assets at amortised cost arises on fixed term loans held with BNP Paribas S.A, the ultimate parent undertaking. The average balance was £37.8 million at an average rate of 0.88% (2018: £234.2 million at an average rate of 0.67%).



**BNP PUK HOLDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****6. Interest expense**

	2019	2018
	£'000	£'000
Interest expense on amounts due to ultimate parent undertaking		
— on fixed term borrowings	(59)	(51)
— on bank overdrafts	(44)	(1)
	<b>(103)</b>	<b>(52)</b>

Interest expense relates to term borrowings from BNP Paribas S.A, the ultimate parent undertaking, to fund investments in financial assets at FVPL. Interest expense on bank overdrafts arises on balances with BNP Paribas S.A, the ultimate parent undertaking.

**7. Administrative expenses**

	2019	2018
	£'000	£'000
Bank levy	2	(2)
Custody fees	(1)	(2)
Legal fees	(1)	(9)
Audit fee	(28)	(25)
	<b>(28)</b>	<b>(38)</b>

Auditors' remuneration in respect of 2019 audit fees is £25,345 (2018: £24,700). There are no fees relating to other services provided by the Company's Auditors. Bank levy relating to 2018 was written back as it is not payable by the Company.

**8. Profit before taxation**

The following costs have not been included in arriving at profit before taxation:

**(a) Services provided by the ultimate parent undertaking**

As a wholly owned subsidiary of the BNP Paribas Group, the Company is provided with management, support and infrastructure services by BNP Paribas S.A, the ultimate parent undertaking. It is not possible to make an accurate apportionment of the costs attributed to providing these services. Accordingly no recharge is made to the Company in respect of these services.

**(b) Directors' emoluments**

The Directors provide services to the Company, BNP Paribas S.A, the ultimate parent undertaking, and a number of fellow subsidiary undertakings. The emoluments of all Directors in the current and prior year are paid by BNP Paribas S.A, the ultimate parent undertaking. The ultimate parent undertaking makes no recharge to the Company as it is not possible to make an accurate apportionment of Directors' emoluments in respect of each of the subsidiaries.

**(c) Number of employees**

The Company had no employees during the year to 31 December 2019 (2018: none).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 9. Taxation

## (a) Analysis of tax charge in the year

	2019 £'000	2018 £'000
Continuing operations	(48)	(343)
Foreign tax	(30)	-
Deferred tax (charge) / income on financial assets at fair value through profit or loss	(1,738)	75
<b>Tax charge</b>	<b>(1,816)</b>	<b>(268)</b>

## (b) Tax on items credited / (charged) at fair value through other comprehensive income reserves or income statement in 2019

	2019 £'000	2018 £'000
Deferred tax credit / (charge) on financial assets at fair value through other comprehensive income	165	(16)
<b>Deferred tax credit / (charge)</b>	<b>165</b>	<b>(16)</b>

## (c) Factors affecting tax charge for the year

The tax assessed for the year is lower (2018: lower) than profit on ordinary activities before taxation multiplied by the rate of corporation tax in the UK of 19%. (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	11,593	1,904
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2018: 19%)	(2,203)	(362)
Tax effects of:		
— Income not taxable	316	27
— Bank levy	1	-
— Impairments not deductible	(19)	246
— Expenses not deductible	(74)	(2)
— Valuation of deferred tax asset	193	(177)
— Foreign tax	(30)	-
<b>Tax charge for the year</b>	<b>(1,816)</b>	<b>(268)</b>

**BNP PUK HOLDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****10. Dividend paid**

	31 December 2019	31 December 2018
	£'000	£'000
Dividend paid	(1,635)	(14,995)
	(1,635)	(14,995)

On 28 May 2019, the Company paid a £1.6 million dividend to BNP Paribas S.A, the ultimate parent undertaking (2018: £15 million). This represents a return of £0.04 per share.

**11. Investments in subsidiaries**

	31 December 2019	31 December 2018
	£'000	£'000
Cost at 1 January	10,879	638,865
Disposals	-	(627,986)
Cost at 31 December	10,879	10,879
Impairment provision at 1 January	(6,383)	(635,257)
Impairment	(101)	628,874
Impairment provision at 31 December	(6,484)	(6,383)
Recoverable amount at 31 December	4,395	4,496

During the year, the following subsidiaries of the Company were placed into liquidation: BNP Paribas CMG Limited and Paribas Premier Leasing Limited.

**BNP PUK HOLDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. Investments in subsidiaries (continued)**

	31 December 2019 £'000	31 December 2018 £'000
<b>Impairment provision at 1 January</b>	<b>(6,383)</b>	<b>(635,257)</b>
<i>(Impairment) / writeback:</i>		
BNP Paribas Net Limited	(101)	1,293
BNP Paribas Investments No. 1 Limited	-	249,975
BNP Paribas Investments No. 2 Limited	-	349,990
BNP Paribas E & B Limited	-	56
Fidex Limited	-	27,560
<b>Impairment provision at 31 December</b>	<b>(6,484)</b>	<b>(6,383)</b>

The impairment provision increased in the year to £6.5 million (2018: £6.4 million) following a review of the 2019 financial performance of BNP Paribas Net Limited. The recoverable amount of the investment is assessed as the fair value less costs.

All investments in subsidiary undertakings are equity in nature.

The direct subsidiary undertakings of the Company at 31 December 2019 were:

Subsidiary undertakings	Principal activity	Type of share	Percentage Holding
BNP Paribas Synergy Limited	Investment company	Ordinary £1	100%
Camomile Ulster Investments (UK) Limited	Investment company	Ordinary £1	100%
BNP Paribas Net Limited	International telecommunication services	Ordinary £1	100%
BNP Paribas CMG Limited	Issuing covered warrants and other derivative products	Ordinary £1	100%
Paribas Premier Leasing Limited	Leasing	Ordinary £1	100%

The registered address of each subsidiary undertaking is 10 Harewood Avenue, London, NW1 6AA.

All subsidiary undertakings, with the exception of Camomile Ulster Investments (UK) Limited, are incorporated in the UK. Camomile Ulster Investments (UK) Limited is incorporated in the Cayman Islands with an establishment registered in the UK.

## 12. Fair value measurement

## Financial assets at FVOCI

	Level 3 £'000
Cost as at 1 January 2019	2,825
<b>Cost as at 31 December 2019</b>	<b>2,825</b>
Revaluation transferred to equity as at 1 January 2019	4,358
Revaluation	(409)
<b>Revaluation transferred to equity as at 31 December 2019</b>	<b>3,949</b>
<b>Fair value at 31 December 2019</b>	<b>6,774</b>

	Level 3 £'000
Cost as at 1 January 2018	2,825
<b>Cost as at 31 December 2018</b>	<b>2,825</b>
Revaluation transferred to equity as at 1 January 2018	4,272
Revaluation transferred to equity	86
<b>Revaluation transferred to equity as at 31 December 2018</b>	<b>4,358</b>
<b>Fair value at 31 December 2018</b>	<b>7,183</b>

Financial assets at FVOCI comprise of an equity investment, held in the previous year, and which the Company has irrevocably elected at initial recognition to recognise in this category. On disposal of this equity investment, any related balance within the fair value through other comprehensive income reserve is moved to retained earnings.

This financial instrument which is measured subsequent to initial recognition at fair value, is categorised as Level 3 based on the degree to which the fair value is observable.

## 12. Fair value measurement (continued)

## Financial assets at FVPL

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Cost as at 1 January 2019</b>	<b>2,656</b>	<b>-</b>	<b>11,714</b>	<b>14,370</b>
Adjustment to brought forward	2	-	-	2
Reclassification from Level 3 to Level 2	-	3,902	(3,902)	-
FX Revaluation	-	(222)	(289)	(511)
<b>Cost as at 31 December 2019</b>	<b>2,658</b>	<b>3,680</b>	<b>7,523</b>	<b>13,861</b>
<b>Revaluation transferred to profit or loss as at 1 January 2019</b>	<b>(2,195)</b>	<b>-</b>	<b>(5,773)</b>	<b>(7,968)</b>
Revaluation transferred to profit or loss	(387)	9,616	213	9,442
<b>Revaluation transferred to profit or loss as at 31 December 2019</b>	<b>(2,582)</b>	<b>9,616</b>	<b>(5,560)</b>	<b>1,474</b>
<b>Financial assets at fair value through profit or loss 31 December 2019</b>	<b>76</b>	<b>13,296</b>	<b>1,963</b>	<b>15,335</b>
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Cost as at 1 January 2018</b>	<b>2,656</b>	<b>-</b>	<b>11,228</b>	<b>13,884</b>
FX Revaluation	-	-	486	486
<b>Cost as at 31 December 2018</b>	<b>2,656</b>	<b>-</b>	<b>11,714</b>	<b>14,370</b>
<b>Revaluation transferred to profit or loss as at 1 January 2018</b>	<b>(1,194)</b>	<b>-</b>	<b>(5,445)</b>	<b>(6,640)</b>
Revaluation transferred to profit or loss	(1,001)	-	(328)	(1,329)
<b>Revaluation transferred to profit or loss as at 31 December 2018</b>	<b>(2,195)</b>	<b>-</b>	<b>(5,773)</b>	<b>(7,968)</b>
<b>Financial assets at fair value through profit or loss 31 December 2018</b>	<b>461</b>	<b>-</b>	<b>5,941</b>	<b>6,402</b>

Financial assets at FVPL comprise equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Level 1 includes a listed equity investment.

Level 2 includes one investment valued based on the recent external transaction price.

Level 3 includes two investments valued using a discounted cash flow model.

**BNP PUK HOLDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****13. Other receivables**

	31 December 2019	31 December 2018
	£'000	£'000
Accrued interest receivable	115	185
Other receivables	59	30
	174	215

Accrued interest receivable relates to interest earned on the £47.7 million (2018: £37.6 million) loans to BNP Paribas S.A, the ultimate parent undertaking, at an interest rate of 0.81% (2018: 0.48%). Other receivables relates to withholding tax refunds due.

**14. Financial assets at amortised cost**

	31 December 2019	31 December 2018
	£'000	£'000
Term loan	47,680	37,600
	47,680	37,600

The term loans of £37.1 million at a rate of 0.84% and £10.6 million at a rate of 0.77% are with BNP Paribas S.A, the ultimate parent undertaking. The term loans matured in March 2020.

**15. Cash and cash equivalents**

	31 December 2019	31 December 2018
	£'000	£'000
Current account	1,301	165
	1,301	165

All cash and cash equivalents are held with BNP Paribas S.A, the ultimate parent undertaking. Current account balances are interest bearing, repayable on demand and denominated in Sterling and US Dollars.

**BNP PUK HOLDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**16. Share capital**

	Number of shares	31 December 2019 £'000	31 December 2018 £'000
Allotted, called up fully paid:			
Ordinary shares of £1 each (2018: 40,000,000)	40,000,000	40,000	40,000

The Company is a private company. The ordinary shares of £1 each in issue are non-redeemable, carry one vote per share and have no right to dividends other than those recommended by the Directors, and unlimited right to share in the surplus remaining on a winding up.

**17. Deferred tax liabilities**

	31 December 2019 Temporary difference on acquisition £'000	31 December 2019 FVOCI and FVPL assets £'000	31 December 2019 Total £'000
Opening balance at 1 January	-	1,212	1,212
Deferred tax credit on financial assets at fair value through other comprehensive income	-	(165)	(165)
Deferred tax charge on financial assets at fair value through profit or loss	-	1,738	1,738
<b>At 31 December 2019</b>	-	2,785	2,785

	31 December 2018 Temporary difference on acquisition £'000	31 December 2018 FVOCI and FVPL assets £'000	31 December 2018 Total £'000
Opening balance at 1 January	384	887	1,271
Deferred tax credit on financial assets at fair value through other comprehensive income	(384)	400	16
Deferred tax charge on financial assets at fair value through profit or loss	-	(75)	(75)
<b>At 31 December 2018</b>	-	1,212	1,212

The deferred tax liability is in respect of financial assets at FVOCI and financial assets at FVPL.



**BNP PUK HOLDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****18. Borrowings**

	31 December 2019	31 December 2018
	£'000	£'000
<b>Current liabilities</b>		
<b>Bank overdrafts:</b>		
— due to ultimate parent undertaking	21	465
<b>Short term liabilities:</b>		
— due to ultimate parent undertaking	17,981	8,368
— due to fellow subsidiary undertaking	1,040	-
<b>Total borrowings</b>	<b>19,042</b>	<b>8,833</b>

Bank overdrafts are due to BNP Paribas S.A, the ultimate parent undertaking, are interest bearing, repayable on demand and denominated in Euros.

Short-term liabilities includes a) £8.4 million (2018: £8.4 million) Euro and US Dollar denominated borrowings at a fixed rate to hedge the foreign exchange risk arising from the Company's financial assets at fair value through other comprehensive income and financial assets at fair value, through profit or loss b) £9.6 million Euro denominated borrowings at a fixed rate.

**19. Other payables**

	31 December 2019	31 December 2018
	£'000	£'000
Accrued interest payable	31	5
Tax payable	392	490
Sundry creditors	25	35
	<b>448</b>	<b>530</b>

Accrued interest payable is due to BNP Paribas S.A, the ultimate parent undertaking, on £2 million (2018: £2 million) short-term borrowings at a fixed rate of 2.22% (2018: 3.125%).

Tax payable relates to 2018 and sundry creditors relates to audit fees.

**20. Related party transactions**

Transactions undertaken with related parties during the year gave rise to the following Income Statement items:

Nature of income	Related party	2019 £'000	2018 £'000
Income from investments in subsidiaries	Fellow subsidiary undertaking	1,297	18
Interest income	Ultimate parent undertaking	381	1,590
Interest expense	Ultimate parent undertaking	(103)	(52)
Dividend paid	Ultimate parent undertaking	(1,635)	(14,995)

In respect of related party transactions, the outstanding balances were as follows:

Nature of balance	Related party	31 December 2019 £'000	31 December 2018 £'000
Accrued interest receivable	Ultimate parent undertaking	115	185
Financial assets at amortised cost	Ultimate parent undertaking	47,680	37,600
Cash and cash equivalents	Ultimate parent undertaking	1,301	165
Borrowings	Ultimate parent undertaking	(18,001)	(8,833)
Borrowings	Fellow subsidiary undertaking	(1,040)	-
Accrued interest payable	Ultimate parent undertaking	(31)	(5)

All related party transactions have been concluded at arm's length.

**21. Capital management**

The Company categorises capital as total shareholders' equity, and as at 31 December 2019, the value was £53.5 million (2018: £45.5 million).

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. In order to maintain or adjust its capital structure, the Company can return capital to its shareholder, adjust the amount of dividends paid to its shareholder, issue new shares or reduce its debt.

**22. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent undertaking and controlling party is BNP Paribas S.A, a company incorporated in France.

BNP Paribas S.A is the parent undertaking of the largest and smallest group of undertakings to consolidate these Financial Statements at 31 December 2019. The consolidated Financial Statements of BNP Paribas S.A are available from 16 Boulevard des Italiens, 75009 Paris, France.