

Company registration no. 02235529

Leasecontracts Sales Limited

Annual Report and Financial Statements For the year ended 31 December 2017



ARVAL
BNP PARIBAS GROUP

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For the year ended 31 December 2017

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Company Information

For the year ended 31 December 2017

Directors:	A M Cabaça P Hyne B Beckers
Secretary:	P Hyne
Registered Office:	Whitehill House Windmill Hill Swindon SN5 6PE
Registered Number:	02235529
Auditor:	Mazars LLP 45 Church Street Birmingham B3 2RT



Strategic Report

For the year ended 31 December 2017

Overview

Leasecontracts Sales Limited is no longer trading following the transfer of its business to Arval UK Limited in October 2016.

Leasecontracts Sales Limited, together with its immediate parent Arval UK Leasing Services Limited and fellow group companies Arval UK Limited, Arval UK Group Limited and BNP Paribas Fleet Holdings Limited, the ultimate UK holding company, constitute the UK presence and trading activities of Arval, an international group, wholly owned by BNP Paribas SA. Arval has subsidiaries in 29 countries and during 2017 its worldwide fleet grew to over 1.1 million vehicles.

Financial position

The company's results are set out in the Statement of Comprehensive Income on page 10.

In the opinion of the directors the state of the company's affairs is satisfactory.

Review of the business and current and future developments

The company is no longer trading.

Financial risk management

As the company is no longer trading, the principal risk to the company is the credit risk of a fellow group company failing to meet all or part of their obligations

The company has defined policies and procedures, based upon BNP Paribas group policies, which set out specific guidelines to manage financial risk and the circumstances when it would be appropriate to use financial instruments to manage this.

Regular monthly meetings are held, attended by various directors or their representatives to discuss the current and future financial risks facing the company. Appropriate decisions to manage and mitigate these risks are made in accordance with the company's policies.



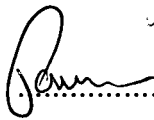
Strategic Report (Continued)

Credit risk

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

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

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



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Paul Hyne

Director

Date: 18/5/18



Directors' Report

The directors present their report for the year ended 31 December 2017.

In the opinion of the directors the state of the company's affairs is satisfactory.

Dividends

The directors propose a final dividend of £3.54 per share (2016: £8,372.77 per share) on the issued share capital amounting to £354 payable after the balance sheet date (2016: £837,277).

Directors' Indemnity

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

Directors

The directors set out below have held office during the whole of the period from 1 January 2017 to the date of this report unless shown otherwise.

B Dilly (resigned 30 November 2017)
A M Biggs (resigned 23 May 2017)
P Noubel (resigned 19 February 2018)
G Killeen (resigned 26 January 2017)
P Hyne (appointed 23 May 2017)
A M Cabaça (appointed 30 November 2017)
B Beckers (appointed 19 February 2018)

Financial Risk Management and Future Developments

Financial risk management and future developments are covered in the Strategic Report on pages 3 to 4.

Statement as to Disclosure of Information to Auditor

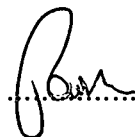
The directors have taken all the necessary steps to make themselves aware, as directors, of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditor

Mazars LLP have signalled their willingness to continue in office.

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



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Paul Hyne

Director

Date: 18/5/18



Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Accounting Standards 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 Statement of Comprehensive Income of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Independent Auditor's Report to the Members of Leasecontracts Sales Limited

We have audited the financial statements of Leasecontracts Sales Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Other information

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



Independent Auditor's Report to the Members of Leasecontracts Sales Limited (Continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of Leasecontracts Sales Limited (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Paul Lucas (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT



Date:

30 May 2018



Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	31 December 2017 £	31 December 2016 £
Revenue	3	-	5,779,375
Direct costs	3	-	(4,503,515)
Other operating charges		-	(148,498)
Operating profit	3	-	1,127,362
Finance income	6	354	158
Finance costs	7	-	(83,880)
Profit before taxation		354	1,043,640
Taxation	8	-	(206,363)
Profit for the year		354	837,277
Other comprehensive income		-	-
Total comprehensive income for the year		354	837,277

The company's revenue and expenses all relate to discontinued operations.

The notes on pages 13 to 22 form an integral part of these financial statements.



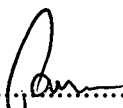
Statement of Financial Position

As at 31 December 2017

	Notes	31 December 2017 £	31 December 2016 £
ASSETS			
Current assets			
Trade and other receivables	10	454	837,377
Total assets		<u>454</u>	<u>837,377</u>
EQUITY			
Share capital	11	100	100
Retained earnings		354	837,277
Total equity		<u>454</u>	<u>837,377</u>

The notes on pages 13 to 22 form an integral part of these financial statements.

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



 Paul Hyne (Director)

Date: 18/5/18



Statement of Changes in Equity

As at 31 December 2017

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	100	4,657,785	4,657,885
Profit for the year	-	837,277	837,277
Total comprehensive income	-	837,277	837,277
Dividends paid	-	(4,657,785)	(4,657,785)
At 31 December 2016	100	837,277	837,377
Profit for the year	-	354	354
Total comprehensive income	-	354	354
Dividends paid	-	(837,277)	(837,277)
At 31 December 2017	100	354	454



Notes to the Financial Statements

For the year ended 31 December 2017

1. Corporate information

Leasecontracts Sales Limited is a company incorporated in the United Kingdom. The registered address of the company is given on page 2. The principal operations of the company are included in the Strategic Report on pages 3 to 4.

2. Accounting policies

2.1. Basis of preparation

Statement of compliance

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

Disclosure exemptions applied

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

- (i) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the available for sale investments and derivative financial instruments;
- (iii) The applicable requirements of IAS 36 'Impairment of Assets' relating to the disclosures of estimates used to measure recoverable amounts;
- (iv) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 18(118)(e)).
- (v) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- (viii) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the company and other wholly-owned subsidiaries of the group.

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



Notes to the Financial Statements

For the year ended 31 December 2017

Basis of measurement

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

Going concern

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

The company is no longer trading following the sale of its trade and net assets to Arval UK Limited.

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

Functional and presentational currency

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

Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2.10.

2.2. Foreign currency.

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates as at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the Statement of Comprehensive Income.



Notes to the Financial Statements

For the year ended 31 December 2017

2.3. Revenue

Revenue represents the amount receivable for the provision of services and the sale of goods during the year, excluding VAT and trade discounts. Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be measured reliably.

The accounting policy for the recognition of revenue on leases has been detailed in note 2.7.

Gross earnings from vehicle maintenance contracts are included in revenue in the period to which they relate. Expected net maintenance income is recognised evenly over the maintenance contract life.

Deferred income arises where services are invoiced in advance of performance. The amount is released to the Statement of Comprehensive Income in subsequent periods by reference to the stage of completion of the transaction at the reporting date.

2.4. Taxation

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

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

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

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

2.5. Property plant and equipment

Property, plant and equipment is recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

After recognition, property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.



Notes to the Financial Statements

For the year ended 31 December 2017

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Fixtures, fittings and office equipment	50%
Freehold property	12%
Leased vehicles	1 month to 5 years

The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with *IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'*.

Property plant and equipment formerly held for leasing to customers is transferred to inventory at book value. The proceeds from the sales such assets is recognised as revenue and book value is recognised as a direct cost.

Gains or losses arising on the disposal of other property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in the Statement of Comprehensive Income.

2.6. Impairment of property, plant and equipment

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

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

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

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

2.7. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



Notes to the Financial Statements

For the year ended 31 December 2017

2.8. Financial instruments

Financial assets

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

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

All financial assets are classified as loans and receivables; these comprise trade and other receivables, cash and cash equivalents and finance lease receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

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

Financial liabilities

Financial liabilities include trade and other payables.

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

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

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

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

2.9. Equity and reserves

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

Retained earnings include all current and prior period retained profits.



Notes to the Financial Statements

For the year ended 31 December 2017

2.10. Significant management judgements in applying accounting policies and estimation uncertainty

Following the cessation of trade, management consider that they are no longer required to make significant judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

2.11. Standards, amendments and interpretations adopted in the current financial year ended 31 December 2017

The adoption of the following standards, amendments and interpretations in the current year have not had a material impact on company's financial statements.

	<i>EU effective date – periods beginning on or after</i>
Amendment to IAS 7 Statement of Cash Flows: Disclosure initiative	1 January 2017
Amendment to IAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses	1 January 2017
Annual Improvements to IFRSs (2014 - 2016): Clarification of the scope of IFRS 12 Disclosure of Interests in Other Entities	1 January 2017



Notes to the Financial Statements

For the year ended 31 December 2017

3. Operating profit

The following items have been included in arriving at operating profit.

	31 December 2017 £	31 December 2016 £
Revenue		
Income from operating lease contracts	-	2,576,216
Income from sale of vehicles	-	3,203,159
	-	5,779,375
Direct costs		
Depreciation of vehicles used for operating lease contracts	-	(1,528,737)
Other costs from operating lease contracts	-	(119,131)
Net book value of vehicles sold	-	(2,855,647)
	-	(4,503,515)

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

4. Directors' remuneration

B Dilly, A M Biggs, G Killeen, A M Cabaça and P Hyne were remunerated by Arval UK Group Limited. P Noubel was remunerated by the ultimate parent company, which made no recharge to this company.

5. Employees

All previous staff members had a contract of employment with Arval UK Group Limited, which made no recharge to this company. Full disclosure of staff costs is included within the accounts of Arval UK Group Limited.

6. Finance income

	31 December 2017 £	31 December 2016 £
Interest receivable from group undertakings	354	158



Notes to the Financial Statements

For the year ended 31 December 2017

7. Finance costs

	31 December 2017 £	31 December 2016 £
Interest payable to group undertakings	-	83,880

8. Taxation

	31 December 2017 £	31 December 2016 £
Corporation tax:		
Current year	68	261,411
Adjustment in respect of prior years	-	(125,697)
Group relief surrendered free of charge	(68)	191,633
	-	327,347
Deferred tax		
Current year	-	(52,683)
Adjustment in respect of prior years	-	(68,301)
	-	206,363

The tax rate used for the reconciliation is the corporate tax rate of 19.25% (2016: 20.00%) payable by corporate entities in the UK on taxable profits under UK tax law.



Notes to the Financial Statements

For the year ended 31 December 2017

8. Taxation (continued)

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

	31 December 2017 £	31 December 2016 £
Profit before taxation	354	1,043,640
Income tax calculated at 19.25% (2016: 20.00%)	68	208,728
Group relief surrendered free of charge	(68)	191,917
Adjustment to tax in respect of previous years	-	(194,282)
Total tax expense	-	206,363

9. Dividends paid and proposed

It is proposed that a final dividend of £354 (2016: £837,277) equalling £3.54 per share (2016: £8,372.77 per share) be proposed for approval at the Annual General Meeting.

10. Trade and other receivables

	31 December 2017 £	31 December 2016 £
Amounts owed by related undertakings	454	837,377

11. Share capital

	31 December 2017 £	31 December 2016 £
Authorised, Allocated and called up 100 ordinary shares of £1 each	100	100



Notes to the Financial Statements

For the year ended 31 December 2017

12. Events after the reporting period

There are no significant events after the year-end.

13. Ultimate controlling party

The company is a subsidiary undertaking of, and is controlled by Arval UK Leasing Services Limited, a company incorporated in England and Wales. The ultimate parent undertaking is BNP Paribas SA, a company incorporated in France.

The smallest group in which the results of the company are consolidated is that headed by Arval UK Group Limited. The largest group in which the results of the company are consolidated is that headed by BNP Paribas SA.

The consolidated accounts of both Arval UK Group Limited and BNP Paribas SA can be obtained from:

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

