

HAREWOOD HELENA 2 LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**REGISTERED OFFICE:
5 ALDERMANBURY SQUARE
LONDON
EC2V 7BP**

**REGISTERED NUMBER: 06599546
REGISTERED IN ENGLAND AND WALES**



HAREWOOD HELENA 2 LIMITED

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HAREWOOD HELENA 2 LIMITED

COMPANY INFORMATION, DIRECTORS AND ADVISORS

Directors

Iain Heeps
William Manfield (Appointed on 7 May 2020)
Patrick Perez

Registered Office

5 Aldermanbury Square
London
EC2V 7BP

Company Number

Registered in England and Wales No. 06599546

Auditors

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2, 97 Haymarket Terrace
Edinburgh
EH12 5HD

HAREWOOD HELENA 2 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their Strategic report of Harewood Helena 2 Limited (the “Company”) for the year ended 31 December 2019.

Principal Activity

The principal activity of the Company is that of an investment company.

Strategic Aims

The Company aims to provide sustainable returns to its immediate parent undertaking, Cardif Assurance Vie.

Review of the Business and Performance

The Company continued to act as an investment company.

As shown in the Company’s Income Statement, profit for the year was US\$ 0.1 million (2018: US\$ 3.1 million).

As shown in the Company’s Balance Sheet, total assets for the year ended 31 December 2019 were US\$ 99.5 million (2018: US\$ 106.5 million) and total equity was US\$ 94.1 million (2018: US\$ 97 million). During the year, the Company invested US\$ 35 million in a BNP Paribas AAA rated money market fund, domiciled in Luxemburg.

An interim dividend of US\$ 3 million was paid during the year (2018: US\$ 35.5 million).

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 17 of the Financial Statements for more details on financial risk management.

Future Developments

The Directors will continue to actively manage the Company and consider any suitable future investment opportunities.

Statement on 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.

HAREWOOD HELENA 1 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

COVID-19

The COVID-19 pandemic is a developing situation and the Company has seen significant and continuing fluctuations in the fair value of its investments subsequent to the year end. At this stage, the Board is not in a position to quantify any lasting impact, nor speculate on the duration of any impact on the Company. The outbreak is not currently classified as a principle risk to the business, however, it will continue to monitor the situation closely. The going concern basis of preparation is considered appropriate for the preparation of the Financial Statements.

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 is wholly-owned by Cardif Assurance Vie, and the Directors consider the impact of the Company's activities on its immediate parent. Any decisions taken will be aligned to the strategy and standards of the BNP Paribas Group (the "Group") and be made in the best interests of all stakeholders. Impacts of any decisions will be determined through ongoing risk assessment conducted with all relevant stakeholders.

The Company's stakeholders are consulted routinely on a wide range of matters including funding decisions, delivery of the Group's strategy, compliance with Group policies, corporate governance matters and operational matters, to ensure that the Company operates high standards of business conduct and governance in line with the Group.

The Company has no employees or customers. The Company has intra-group suppliers and recognises the importance of building strong relationships with its suppliers. The Board ensures it has visibility over these key relationships and takes these into account when making decisions. The Company believes that the behaviour of suppliers must adhere to the Group's commitments on environmental, social and governance issues.

The Company seeks to be a contributor to responsible and sustainable global development. Its ambition is to have a positive impact on its stakeholders and on the wider society. The Company strives to mitigate potential violation of social or environmental rights, including human rights, from its financing and investment activities.

The Directors continue to provide the highest standards of governance to ensure that they comply with the Group's policies and maintain high standards of business conduct.

The Directors engage with its immediate parent company on various matters including governance. Subsequent to the year end one new Director was appointed to broaden the skills and experience of the Board.

A copy of this statement is available on the ultimate parent company's website, www.bnpparibas.co.uk/en/legal-privacy/s172-statements.

On behalf of the Board



Iain Heeps
Director

7 July 2020

HAREWOOD HELENA 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their Report and the audited Financial Statements of the Company for the year ended 31 December 2019.

The Company is a wholly owned subsidiary of Cardif Assurance Vie and is incorporated in the United Kingdom and registered in England and Wales. The ultimate parent undertaking is BNP Paribas S.A., a Company incorporated in France.

Overview of Risk Management

The Directors are responsible for identifying risks to which the Company is exposed and for 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 programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Refer to note 17 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 US\$ 3 million (2018: US\$ 35.5 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 12 of the Financial Statements.

Charitable and Political Donations

There were no charitable or political donations made during the year (2018: US\$ nil).

HAREWOOD HELENA 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

The Directors who held office during the year and to the date of this report were:

Iain Heeps
Patrick Perez

Subsequent to the year end, William Manfield was appointed on 7 May 2020.

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 members 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. Please refer to the Strategic Report on page 4 for further details on how the Directors had regard to its stakeholders in its principal decisions during the year.

Directors' Third Party Indemnity Provisions

BNP Paribas S.A., the ultimate parent undertaking has put in place qualifying third party indemnity provisions in the form of a Directors and Officers' insurance policy, for the benefit of the Company's Directors, effective throughout the year, and which remains 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. The Company has adequate financial resources in the form of cash and cash equivalents which more than cover any liabilities under which it is currently obligated. Accordingly, they continue to adopt the going concern basis in preparing the annual report and Financial Statements.

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 regulation.

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.

HAREWOOD HELENA 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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.

The Directors are responsible for the maintenance and integrity of the statement made in relation to Section 172(1) of the Act published on the ultimate parent company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Independent Auditors and Disclosure of Information to Auditor

Mazars LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

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

- (a) so far as the Directors 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 Companies Act 2006.

On behalf of the Board



Iain Heeps
Director
7 July 2020

HAREWOOD HELENA 2 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HAREWOOD HELENA 2 LIMITED

Opinion

We have audited the Financial Statements of Harewood Helena 2 Limited (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the Financial Statements:

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

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the Financial Statements

In forming our opinion on the Company Financial Statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 4, and the consideration in the going concern basis of preparation on page 6 and non-adjusting post balance sheet events on page 29.

Since the reporting date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's activities and the wider economy.

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.

HAREWOOD HELENA 2 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HAREWOOD HELENA 2 LIMITED

Other information

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

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

We have nothing to report in this regard.

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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 6 and 7, 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.

HAREWOOD HELENA 2 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HAREWOOD HELENA 2 LIMITED

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.

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.


Fiona Martin (Jul 20, 2020 19:35 GMT+1)

Fiona Martin (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Address: Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD

Date: Jul 20, 2020

HAREWOOD HELENA 2 LIMITED**INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2019**

	Note	2019 US\$ '000	2018 US\$ '000
Fees and commissions	2	(1,313)	(1,389)
Investment income		1,212	1,936
Net (loss) / gain on financial assets at fair value through profit or loss		(658)	550
Net investment income	3	554	2,486
Interest income	4	305	210
Other income / (expense)	5	(37)	(480)
(Loss) / profit before taxation	6	(491)	827
Taxation	7	552	2,291
Profit for the year		61	3,118

The results for both years are derived from continuing operations.

The notes on pages 15 to 29 form part of these Financial Statements.

HAREWOOD HELENA 2 LIMITEDCompany Registration no. 06599546
Registered in England and Wales**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	31 December 2019 US\$ '000	31 December 2018 US\$ '000
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	9	88,120	59,328
Total non-current assets		88,120	59,328
Current assets			
Other receivables	10	596	4,051
Cash and cash equivalents	11	10,762	43,145
Total current assets		11,358	47,196
TOTAL ASSETS		99,478	106,524
EQUITY			
Share capital	12	68,606	68,606
Retained earnings		25,504	28,443
TOTAL EQUITY		94,110	97,049
LIABILITIES			
Non-current liabilities			
Deferred tax	13	3,325	4,186
Tax payable	14	434	1,495
Total non-current liabilities		3,759	5,681
Current liabilities			
Tax payable	14	1,482	3,602
Other payables	15	127	192
Total current liabilities		1,609	3,794
TOTAL LIABILITIES		5,368	9,475
TOTAL EQUITY AND LIABILITIES		99,478	106,524

The notes on pages 15 to 29 form part of these Financial Statements.

The Financial Statements on pages 11 to 29 were approved by the Board of Directors on 7 July 2020 and were signed on its behalf and authorised for issue by:



Iain Heeps
Director

HAREWOOD HELENA 2 LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Retained earnings	Total equity
	US\$ '000	US\$ '000	US\$ '000
At 1 January 2018	68,606	60,825	129,431
Profit for the year	-	3,118	3,118
Interim dividend	-	(35,500)	(35,500)
At 31 December 2018	68,606	28,443	97,049
Opening balance 1 January 2019	68,606	28,443	97,049
Profit for the year	-	61	61
Interim dividend	-	(3,000)	(3,000)
At 31 December 2019	68,606	25,504	94,110

The notes on pages 15 to 29 form part of these Financial Statements.

HAREWOOD HELENA 2 LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US\$ '000	2018 US\$ '000
Cash flows from operating activities			
(Loss) / profit before taxation		(491)	827
Adjustments for:			
Investment income		(1,212)	(1,936)
Net loss / (gain) on financial assets through profit or loss		658	(550)
Foreign exchange (gain) / loss		(157)	266
Interest income		(305)	(210)
Changes in working capital:			
Decrease / (increase) in other receivables		2,739	(1,788)
Foreign exchange gain in other payables		(10)	(4)
(Decrease) / increase in other payables		(71)	118
Cash flow generated from operating activities			
Taxation paid		(2,880)	(4,065)
Net cash flows generated from operating activities		(1,729)	(7,342)
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss	9	(35,047)	(348)
Proceeds from sale of financial assets at fair value through profit or loss		5,597	18,570
Investment income		1,054	2,486
Interest received		364	136
Net cash flows generated from investing activities		(28,032)	20,844
Cash flows from financing activities			
Interim dividend paid on ordinary shares	8	(3,000)	(35,500)
Net cash flow used in financing activities		(3,000)	(35,500)
Net decrease in cash and cash equivalents		(32,761)	(21,998)
Cash and cash equivalents at 1 January		43,145	64,697
Foreign exchange loss on cash held in foreign currency		378	446
Cash and cash equivalents at 31 December		10,762	43,145

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

The notes on pages 15 to 29 form part of these Financial Statements.

HAREWOOD HELENA 2 LIMITED

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

1. Accounting policies

The principal activity of the Company is that of an investment company. 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 and the prior year, unless otherwise stated.

a) Basis of preparation

These Financial Statements have been prepared in accordance with UK law and IFRS as adopted by the European Union ("EU"), the Act 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).

There are no new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2019 that have a material effect on the Financial Statements as at 31 December 2019.

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 other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Going concern and liquidity

As noted in the Directors' Report, the Directors have at the date of approving the Financial Statements 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.

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 9).

c) Accounting Convention

Settlement Date Accounting

Purchase and sales of financial assets are recognised on settlement date, being the date on which the actual transfer of cash or assets completed.

d) Revenue recognition

(i) Dividend income

Dividend income arises from financial assets at fair value through profit or loss and is recognised when the Company's right to receive a dividend is established.

(ii) Interest income

Interest income arises from cash and cash equivalents and is recognised in the Income Statement using the effective interest rate method.

HAREWOOD HELENA 2 LIMITED

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

1. Accounting policies (continued)

e) 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 US Dollars, 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. The Sterling:US Dollar exchange rate as at 31 December 2019 was £1:\$1.32 and as at 31 December 2018 was £1:\$1.28.

(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.

f) Fees and commissions payable

Fees and commissions are recognised on an accrual basis when the service has been provided. Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of a business, are recognised on completion of the underlying transaction. Portfolio and other management fees are recognised based on the applicable service contracts, on a time-apportionment basis. Asset management fees related to investment funds are recognised during the year in which the service is provided.

g) Financial Instruments

The Company classifies its financial instruments as 'financial assets at amortised cost' and 'financial assets at fair value through profit or loss'. Management determines the classification of its financial instruments upon initial recognition based on the business model objective and the characteristics of the contractual cash flows.

All financial instruments are initially recognised at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

(i) Financial assets at amortised cost

Financial assets at amortised cost are financial assets that have fixed or determinable payments that are not quoted in an active market. 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.

HAREWOOD HELENA 2 LIMITED

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

1. Accounting policies (continued)

g) Financial instruments (continued)

(ii) Financial assets at fair value through profit or loss

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 financial assets at fair value through profit or loss, net of taxation, are recognised in the Income Statement.

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

h) Other receivables and payables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Other payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and intra-group balances repayable on demand.

j) Current and non-current assets and liabilities

All financial assets and liabilities which have a maturity date less than or equal to one year from the balance sheet date are classified as 'current', and as 'non-current' if they have a maturity date greater than one year from the balance sheet date.

HAREWOOD HELENA 2 LIMITED

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

1. Accounting policies (continued)

k) 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.

l) Dividend distribution

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

m) Taxation

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

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 substantially 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 profit will be available against which the temporary differences can be utilised.

2. Fees and commissions

	2019	2018
	US\$ '000	US\$ '000
Sundry charges	(69)	(94)
Management fees	(1,244)	(1,295)
	(1,313)	(1,389)

Sundry charges relate to expenses incurred by Hamilton Lane Advisors, L.L.C., the Fund Manager. Management fees include the quarterly fee for services provided by Hamilton Lane Advisors, L.L.C.

HAREWOOD HELENA 2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****3. Net investment income**

	2019	2018
	US\$ '000	US\$ '000
Investment income	1,212	1,936
Net realised gain on disposal of financial assets at fair value through profit or loss	1,792	830
Net fair value loss on financial assets at fair value through profit or loss	(2,450)	(280)
	554	2,486

Investment income represents capital distributions from investments. Prior year income represents dividends and capital distributions from investments.

4. Interest income

	2019	2018
	US\$ '000	US\$ '000
Interest income	305	210

Interest income represents interest on the US Dollar current account held with BNP Paribas S.A., the ultimate parent undertaking, at an average interest rate of 1.04% (2018: 0.42%).

5. Other income / (expenses)

	2019	2018
	US\$ '000	US\$ '000
Audit fee	(12)	(13)
Foreign exchange gain / (loss)	157	(266)
Other administrative expenses	(182)	(201)
	(37)	(480)

Auditor's remuneration in respect of audit fees is US\$ 10,459 (2018: US\$ 9,975). There are no fees relating to other services provided by the Company's auditors.

HAREWOOD HELENA 2 LIMITED

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

6. (Loss) / profit before taxation

The following costs have not been included in arriving at (loss) / 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, 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 the emoluments associated with the Directors' services to the Company are not deemed to be significant.

c) Number of employees

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

HAREWOOD HELENA 2 LIMITED

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

7. Taxation

a) Analysis of tax credit for the year

	2019 US\$ '000	2018 US\$ '000
Current tax credit		
Continuing operations	(419)	(1,576)
Adjustments in respect of prior year	71	566
Foreign tax	39	1,758
Current tax (charge) / credit	(309)	748
Deferred tax		
Continuing operations	491	1,543
Effect of tax rate change	370	-
Deferred tax credit	861	1,543
Total tax credit	552	2,291

The rate of deferred tax is 17% (2018: 19%).

b) Factors affecting tax credit for the year

The tax assessed for the year is lower (2018: lower) than loss (2018: profit) before taxation multiplied by the rate of corporation tax in the UK of 19% (2018: 19%).

The tax credit for the year can be reconciled as follows:

	2019 US\$ '000	2018 US\$ '000
(Loss) / profit before tax	(491)	827
(Loss) / profit before tax multiplied by the rate of corporation tax in the UK of 19% (2018: 19%)	93	(157)
Effects of:		
Exempt investment income	-	56
Bank levy	3	(3)
Adjustment in respect of prior year	71	565
Expenses non-deductible for tax	(24)	-
Income not taxable	-	72
Foreign tax	39	1,758
Effect of tax rate changes on deferred tax balances	370	-
Tax credit for the year	552	2,291

HAREWOOD HELENA 2 LIMITED

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

8. Dividend

	2019	2018
	US\$ '000	US\$ '000
Interim dividend on ordinary shares	(3,000)	(35,500)

On 11 December 2019, the Company paid a US\$ 3 million dividend to BNP Paribas S.A., the ultimate parent undertaking (2018: US\$ 35.5 million). This represents a return of US\$ 0.02 per share.

9. Financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cost as at 1 January 2019	-	-	37,299	37,299
Additions	35,000	-	47	35,047
Disposals	-	-	(3,805)	(3,805)
Cost as at 31 December 2019	35,000	-	33,541	68,541
Revaluation as at 1 January 2019	-	-	22,029	22,029
Revaluation transferred to profit or loss	132	-	(2,582)	(2,450)
Revaluation as at 31 December 2019	132	-	19,447	19,579
At 31 December 2019	35,132	-	52,988	88,120
Cost as at 1 January 2018	-	-	48,142	48,142
Additions	-	-	348	348
Disposals	-	-	(11,191)	(11,191)
Cost as at 31 December 2018	-	-	37,299	37,299
Revaluation as at 1 January 2018	-	-	30,153	30,153
Revaluation transferred to profit or loss	-	-	(8,124)	(8,124)
Revaluation as at 31 December 2018	-	-	22,029	22,029
At 31 December 2018	-	-	59,328	59,328

HAREWOOD HELENA 2 LIMITED

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

9. Financial assets at fair value through profit or loss (continued)

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

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has a 49.5% interest in a Limited Partnership Agreement Co-Investment Vehicle incorporated in England and Wales. This Co-Investment Vehicle is administered by Hamilton Lane, an investment management company incorporated in England and Wales.

In addition the Company has a 10% interest in a General Partnership Agreement Co-Investment Vehicle incorporated in the England and Wales. This Co-Investment Vehicle is administered by Hamilton Lane, an investment management company incorporated in England and Wales.

Investments are held for the medium term, and the amounts recoverable on ultimate realisation may differ from the carrying values at the balance sheet date. Consequently the recoverable amount is considered to be equal to the valuation used in the audited Financial Statements of Hamilton Lane / BNP Co-Investment Fund GP LP.

The Company has invested US\$ 35 million in a BNP Paribas AAA rated money market fund, domiciled in Luxemburg. The valuation of the investment is based on the net asset value of the fund published by the fund administrator on a daily basis.

HAREWOOD HELENA 2 LIMITED

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

9. Financial assets at fair value through profit or loss (continued)

	First acquired	Cost 31 December 2019 US\$ '000	Cost 31 December 2018 US\$ '000
IMS Health Inc	Feb-10	113	269
Fairmont Minerals Limited	Jul-10	-	2,509
Supermax	Sep-11	2,621	2,621
Barra Energia do Brasil Petroleo e Gas Ltda	Nov-11	2,491	2,489
Change Healthcare Inc	Nov-11	2,391	2,448
Cheniere Energy Partners L.P.	Jul-12	3,803	4,130
Accurus Aerospace Holdings L.L.C.	Oct-13	4,586	4,586
Apex Energy L.L.C.	Nov-13	6,357	6,357
CKE Restaurants Inc	Dec-13	4,020	4,020
Global Employment Solutions	Mar-14	288	1,037
Kreuz Holdings Limited	Apr-14	1,649	1,649
Medical Park Sağlık Hizmetleri A.S.	Apr-14	3,467	3,467
Venari Resources Management L.L.C.	Jul-14	1,755	1,717
		33,541	37,299
BNP Paribas Insti Cash Fund	Oct-19	35,000	-
Total Investment		68,541	37,299

In terms of the Hamilton Lane partnership agreements, the Company will continue to invest as advised by Hamilton Lane Advisors L.L.C. to a limit of capital contribution of US\$ 125 million in respect of the Limited Partnership and US\$ 0.3 million in respect of the General Partnership.

Subsequent to the reporting date, the Company has redeemed US\$ 30 million of the investment in BNP Paribas Insti Cash Fund.

10. Other receivables

	31 December 2019 US\$ '000	31 December 2018 US\$ '000
Other receivables	582	3,978
Accrued interest receivable	14	73
	596	4,051

Other receivables includes US\$ 0.3 million (2018: US\$ 2.9 million) relating to investment income and US\$ 0.3 million (2018: US\$ 1.1 million) withholding tax refund.

HAREWOOD HELENA 2 LIMITED

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

11. Cash and cash equivalents

	31 December 2019 US\$ '000	31 December 2018 US\$ '000
Cash at bank	10,762	43,145

Cash and cash equivalents includes US\$ 4.2 million and £ 4.9 million (US\$ 6.5 million) held with BNP Paribas S.A., the ultimate parent undertaking. The US Dollar balance is interest bearing, on which the Company earned an average rate of 1.04% (2018: 0.42%). The Sterling balance is non-interest bearing.

12. Share capital

	31 December 2019 US\$ '000	31 December 2018 US\$ '000
Authorised 500,000,000 (2018: 500,000,000) Ordinary shares of US\$ 0.50 each	250,000	250,000
Issued and fully paid 137,212,852 (2018: 137,212,852) Ordinary shares of US\$ 0.50 each	68,606	68,606

The Company is limited by shares. The Company has in issue only one class of equity shares, which is non-redeemable, carries one vote per share and has no right to dividends other than those recommended by the Directors, and unlimited right to share in the surplus remaining on a winding up.

13. Deferred tax

	31 December 2019 US\$ '000	31 December 2018 US\$ '000
Opening balance at 1 January	(4,186)	(5,729)
Deferred tax credit on financial assets at fair value through profit or loss	861	1,543
	(3,325)	(4,186)

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the reporting period, and so deferred tax closing balances have been calculated at 17%. Had the 19% rate been applied instead, the closing deferred tax liability would have increased by US\$ 0.4 million to US\$ 3.7 million.

HAREWOOD HELENA 2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****14. Tax payable**

	31 December 2019	31 December 2018
	US\$ '000	US\$ '000
Tax payable	1,916	5,097

15. Other payables

	31 December 2019	31 December 2018
	US\$ '000	US\$ '000
Audit fees	13	11
Amount due to fund manager	1	2
Outsourced finance and tax services	101	153
Tax support charges	9	10
Other payables	3	16
	127	192

16. Related party transactions

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

Nature of transaction	Related party	2019	2018
		US\$ '000	US\$ '000
Other administrative expenses	Ultimate parent undertaking	(182)	(185)
Interest income	Ultimate parent undertaking	305	210

The outstanding receivable / (payable) balances as at 31 December were as follows:

Nature of balance	Related party	31 December 2019	31 December 2018
		US\$ '000	US\$ '000
Other receivables	Ultimate parent undertaking	285	73
Cash and cash equivalents	Ultimate parent undertaking	10,762	43,145
Other payables	Ultimate parent undertaking	(113)	(163)

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

HAREWOOD HELENA 2 LIMITED

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

17. Financial risk management

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

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 and cash and cash equivalents. The Directors continue to monitor these exposures.

Maximum exposure to credit risk before collateral held or credit enhancements

	31 December 2019	31 December 2018
	US\$ '000	US\$ '000
Other receivables	596	4,051
Cash and cash equivalents	10,762	43,145
	11,358	47,196

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.

HAREWOOD HELENA 2 LIMITED

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

17. 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 cash equivalents. 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 US\$ '000	3 - 6 months US\$ '000	6 - 12 months US\$ '000	1 - 5 years US\$ '000	Total US\$ '000
As at 31 December 2019					
Other payables	111	-	16	-	127
Tax payable	-	-	1,482	434	1,916
	111	-	1,498	434	2,043
As at 31 December 2018					
Other payables	164	-	28	-	192
Tax payable	-	-	3,602	1,495	5,097
	164	-	3,630	1,495	5,289

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 on open positions in interest rate, currency and equity investments, 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, foreign exchange rates and equity valuations.

(i) Foreign exchange risk

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

HAREWOOD HELENA 2 LIMITED

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

17. Financial risk management (continued)

c) Market risk (continued)

(ii) Price risk

The Company is exposed to equity price risk on its financial assets at fair value through profit or loss.

Equity price risk sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. 10% is considered to be a reasonably possible change in equity prices. The impact of COVID-19 has not been included in these sensitivity analyses.

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 reporting periods.

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 US\$ 1.9 million (2018: US\$ 2.2 million), as a result of the changes in assets at fair value through profit or loss.

18. Capital management

The Company categorises capital as total shareholders' equity, and as at 31 December 2019, the value was US\$ 94.1 million (2018: US\$ 97 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.

19. Ultimate parent undertaking

The Company's immediate parent is Cardif Assurance Vie, a company incorporated in France.

The ultimate parent undertaking is BNP Paribas S.A., a public limited company incorporated in France. The registered office of BNP Paribas S.A. is 16 Boulevard des Italiens, 75009 Paris, France.

The consolidated Financial Statements of BNP Paribas S.A. are available from 16 Boulevard des Italiens, 75009 Paris, France.

20. Post balance sheet events

On 30 January 2020, the World Health Organization declared COVID-19 as a 'Public Health Emergency of International Concern'. The Directors have considered the impact of the outbreak within the Strategic Report on page 4. The Directors have treated this as a non-adjusting event and as such the accounting estimates and judgments as disclosed within note 1(b) of the Financial Statements have not been updated to reflect this. The going concern basis of preparation is considered appropriate for the preparation of the Financial Statements as disclosed on page 6.

The issued share capital of the Company was reduced by US\$ 30 million in May 2020. This was funded by redeeming US\$ 30 million of the investment which the Company holds in BNP Paribas Insti Cash Fund.