

BHF Group UK Limited

Annual Report and financial statements

31 December 2017

Company No: 07061507



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Strategic report

Principal activity

The principal activity of the Company is that of a holding company.

Business review and future plans, trends and developments

The Company has adopted the legal form of a limited liability company and is the intermediary UK holding company of a financial services group. The Company is a wholly owned subsidiary of ODDO BHF Belgium S.A. (formerly BHF Group SA), who in its turn is a wholly owned subsidiary of ODDO BHF SCA (formerly Oddo & Cie SCA) ("ODDO").

Measurement and performance

Commentary on the performance of the Company is included with the Directors' report under the heading "Results and dividends".

As a wholly owned subsidiary, the Company provides monthly financial data to ODDO.

Risk and uncertainties

The Company's operations are limited to that of a holding company and as a result of its normal holding activities, the Company is exposed to a variety of risks, the most significant of which are credit risk, liquidity risk and market risk. The Company manages its risk in line with the central risk management function of ODDO. ODDO Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, employees and the ODDO Group's regulators. Further details on the various risks can be found at the end of this report in footnote 14.

Risks facing the Company's subsidiaries are managed at the appropriate subsidiary level.

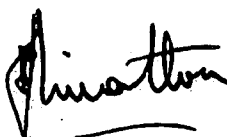
There is a risk that the carrying amounts of the Company's investments in subsidiaries may not be recoverable, however, the directors believe that this risk is mitigated through the consideration of future business plans and net asset values of the subsidiaries.

Future plans, trends and developments

The plan for 2018 is to merge the Company with ODDO BHF Belgium S.A. (the immediate parent company). This will be effected through a cross border merger process resulting in all the assets and liabilities of the Company being transferred to ODDO BHF Belgium S.A.. It is anticipated that, subject to regulatory approval, this process will be started during the fall of 2018. The Company will be dissolved at the end of the cross border merger process.

Approved by the Board of Directors

Signed on behalf of the Board,
Pinatton Jean-Pierre



BHF Group UK Limited
Company No 07061507

September 14, 2018

C/O Hackwood Secretaries Ltd,
One, Silk Street, London EC2Y 8HQ

Directors' report

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

Results and dividends

During the year, the Company made a profit for the year of GBP 1.86 million (2016: GBP 115.1 million profit) and comprised GBP 0.2 million (2016: GBP 2.5 million) of operating costs. These operating costs are mainly offset by net unrealised foreign exchange gains of GBP 2.1 million, resulting from the revaluation per balance sheet date of the euro denominated cash at bank balances. The operating costs incurred during the year relate to the monitoring of the Company's subsidiaries and day-to-day costs of the life of the Company.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. However, following a subsidiary reorganisation program of ODDO BHF Belgium S.A. group, which was put in place by the ultimate parent company in 2016, a decision has been made to merge the Company with ODDO BHF Belgium S.A. (the immediate parent company). This will be effected through a cross border merger process resulting in all the assets and liabilities of the Company being transferred to ODDO BHF Belgium S.A.. It is anticipated that, subject to regulatory approval, this process will be started during the fall of 2018. The Company will be dissolved at the end of the cross border merger process. As required by IAS1 'Presentation of Financial Statements', management has prepared the financial statements on a basis other than going concern. Adjustments have been made in these financial statements to reclassify the fixed assets as current assets. No further adjustments were necessary in these financial statements to reduce assets to their realisable values or to reclassify long-term liabilities as liabilities.

No interim dividend were paid or provided for during the financial year. On 18 January 2018, the Board of Directors of the Company approved a dividend payment to the shareholder of EUR 57 million, out of the retained earnings of the Company.

Share capital

The Company's share capital has not changed versus last year and amounts to £26,493,803 represented by 2,649,380,306 ordinary shares of nominal value £0.01

Post balance sheet events

The parent company ODDO, as a result of a subsidiary reorganization program undertaken decided to merge the Company in 2018 with ODDO BHF Belgium S.A..

On 18 January 2018, the Board of Directors of the Company, approved a dividend payment to the shareholder of € 57 million, out of the retained earnings of the Company.

Other than this no post balance sheet events are to be reported.

Commentary on the future developments in the business of the Company is included with the Strategic report under the heading "Future plans, trends and developments".

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Jean-Pierre Pinatton	Jean-Pierre Pinatton was appointed as an executive director of the Company on April 30, 2016. He is also executive director of BHF GROUP and President of the "Conseil de surveillance" of ODDO.
Serge Bunan	Serge Bunan was appointed as a non-executive director of the Company on April 30, 2016. He is also a non- executive director of BHF GROUP and Group Treasurer at ODDO.

Directors continued

None of the directors had an interest in the share capital of the Company, nor any disclosable interests in the shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, ODDO, as it is incorporated outside the UK.

None of the directors benefited from qualifying third party indemnity provisions during the year or at the date of this report.

Corporate governance

During 2017, the Board of Directors comprised an executive director and one non-executive director. The non-executive director had access to all information he needed to perform his duties.

The Board has approximately two meetings each year to review the Company's strategy, budgets and financial statements, company acquisitions and disposals and major capital expenditure.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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 (IFRSs) 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:

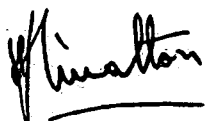
- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable 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 Companies Act 2006.

Approved by the Board of Directors

Signed on behalf of the Board,
Pinatton Jean-Pierre



BHF Group UK Limited
Company No 07061507

C/O Hackwood Secretaries Ltd,
One, Silk Street, London EC2Y 8HQ

September 14, 2018

Independent auditors' report to the members of BHF Group UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, BHF Group UK Limited's 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 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 Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of cash flows, 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.

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.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The company will be merged with its immediate parent, ODDO BHF Belgium S.A., following a subsidiary reorganization program of the ODDO BHF Belgium S.A. group, which commenced in 2016. This will be effected through a cross border merger process resulting in all assets and liabilities of the company being transferred to ODDO BHF Belgium S.A. and the company being dissolved. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. Adjustments have been made in these financial statements to reclassify fixed assets as current assets. No further adjustments were necessary in these financial statements to reduce assets to their realisable values or to reclassify long-term liabilities as liabilities.

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.

Independent auditors' report continued

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 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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 set out on page 5, 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. 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.

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.



Timothy Lawrence (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 September 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	2017 GBP'000	2016 GBP'000
Administrative expenses	3	(205)	(2,487)
Operating loss		(205)	(2,487)
Dividend income		-	4,702
Other finance income		2,564	1,282
Reversal of impairment of investment in subsidiaries	4	-	62,711
Gain from disposal of investment		-	50,013
Finance expense		(502)	(1,080)
Profit before tax		1,857	115,141
Taxation	5	-	-
Profit and total comprehensive income for the year		1,857	115,141

The profit is entirely attributable to owners of the Company.

There were no other items of comprehensive income in either the year ended 31 December 2017 or 2016.

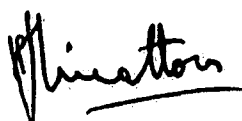
The accounting policies and notes on pages 12 to 20 form part of this financial statement and were approved by the Board of Directors.

Statement of Financial Position

For the year ended 31 December 2017

	Note	2017 GBP'000	2016 GBP'000
Fixed assets			
Investments in subsidiary undertakings	4	-	271,283
Current assets			
Cash at bank and in hand	6	73,357	70,804
Investments in subsidiary undertakings		279,385	-
Total assets		352,742	342,087
Current liabilities			
Creditors falling due within one year	7	22,267	13,469
Total liabilities		22,267	13,469
Equity attributable to owners of the Company		330,475	328,618
Total equity and liabilities		352,742	342,087

Approved and authorized for issue by the Board of Directors on September 14, 2018 and signed on its behalf by:



J.-P. Pinatton
Director and CEO

The accounting policies and notes on pages 12 to 20 form part of this financial statement.

Statement of Changes in Equity

	Called up share capital GBP '000	Share premium GBP '000	Profit & loss account GBP '000	Total Equity GBP '000
At 31 December 2015, and 1 January 2016	9,400	262,594	228,781	500,775
Total comprehensive income				
Profit for the year	-	-	115,141	115,141
Total comprehensive income	-	-	115,141	115,141
Transactions with owners				
Shares issued	17,094	-	-	17,094
Share based payments	-	(262,594)	(41,798)	(304,392)
Transactions with owners, recorded directly in equity	17,094	(262,594)	(41,798)	(287,298)
At 31 December 2016, and 1 January 2017	26,494	-	302,124	328,618
Total comprehensive income				
Profit for the year	-	-	1,857	1,857
Total comprehensive income	-	-	1,857	1,857
At 31 December 2017	26,494	-	303,981	330,475

Statement of Cash Flows

	2017 GBP'000	2016 GBP'000
Operating activities		
Profit for the year	1,857	115,141
Adjustments for non-cash items included in profit (loss):		
Reversal of impairment of investments in subsidiaries	-	(62,711)
Foreign exchange	-	1,067
Capital gains from divestments in subsidiaries	-	(35,087)
Equity-settled share-based payment transactions	-	(1,057)
Other	-	-
	1,857	17,353
Changes in operating assets and liabilities:		
Change in amounts due from debtors	-	70
Change in amounts due to creditors	8,798	7,697
Net cash from operating activities	10,655	25,120
Investing activities		
Investments in subsidiaries	(8,102)	(8,307)
Net cash from investing activities	(8,102)	(8,307)
Financing activities		
Proceeds from divestment KBWM	-	229,312
Proceeds from divestment KBID	-	111,594
Distribution dividend	-	(41,798)
Distribution from share capital repaid	-	(245,500)
Net cash from financing activities	-	53,608
Cash and cash equivalents at the beginning of the year	70,804	383
Net increase in cash and cash equivalents	2,553	70,421
Cash and cash equivalents at the end of the year	73,357	70,804

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

BHF Group UK Limited (the "Company") is a company incorporated and domiciled in the United Kingdom.

The Company's registered address is C/O Hackwood Secretaries Ltd, One, Silk Street, London EC2Y 8HQ. The principal activities of the Company are that of an intermediary holding company in private banking and investment management services type of businesses.

The immediate parent is ODDO BHF Belgium S.A., incorporated under the laws of Belgium, having its registered office at Avenue Louise 326, 1050 Brussels, Belgium.

The ultimate parent company is ODDO, incorporated under the laws of France with registered office at 2, boulevard de la Madeleine, Paris (75009), France. It is the smallest and largest group in which the available results of the Company are consolidated. The financial statements of ODDO can be requested on simple demand from the Investors Relations department of ODDO at their registered office.

The Company financial statements, which show a true and fair view, have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC), and comply with the Companies Acts 2006.

The financial statements have been authorized for issue by the Board of Directors on September 14, 2018.

The Company has taken advantage of section 400 of the Companies Act 2006 to not prepare consolidated Financial statements as the Company's parent undertaking, ODDO, prepares consolidated Financial statements that are available on simple demand from the Investors Relations department of ODDO at their registered office.

IAS 1 requires that financial statements for any Company that has ceased to trade, or where there is an intention for the Company to cease to trade in the foreseeable future, are prepared on an "other than going concern" basis.

As stated in the Directors' report, following a subsidiary reorganisation program of ODDO BHF Belgium S.A. group, which was put in place by the ultimate parent company in 2016, a decision has been made to merge the Company with ODDO BHF Belgium S.A. (the immediate parent company). This will be effected through a cross border merger process resulting in all the assets and liabilities of the Company being transferred to ODDO BHF Belgium S.A.. It is anticipated that, subject to regulatory approval, this process will be started during the fall of 2018. The Company will be dissolved at the end of the cross border merger process. As required by IAS1 'Presentation of Financial Statements', management has prepared the financial statements on a basis other than going concern. Adjustments have been made in these financial statements to reclassify the fixed assets as current assets.

No further adjustments were necessary in these financial statements to reduce assets to their realizable values or to reclassify long-term liabilities as liabilities. There has been no provision for liabilities arising from the decision to merge the Company.

The comparatives presented within these financial statements are prepared under the historical cost basis.

The Company has not applied a new Standard or Interpretation that has been issued but is not yet effective, which needs to be disclosed.

Accounting policies continued

(b) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at historical cost less provision for impairment in value.

(c) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell an appropriate valuation model is used.

(d) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at closing rates of exchange ruling at the balance sheet date. All foreign exchange translation differences are recognized in the profit and loss account within finance expenses.

(e) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(f) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Full provision for deferred tax is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, using appropriate tax rates. The Company does not discount these balances.

Deferred tax assets are only recognized to the extent that it is more likely than not that they will be recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(g) Functional and presentation currency

These financial statements are presented in GBP, which is the Company's functional currency. Except as indicated, financial information presented in GBP has been rounded to the nearest thousand.

Accounting policies continued

(h) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are used when making provisions and impairments but this financial statement do not include any such items.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

2 Segmental information

The Company's business relates to that of a holding company.

3 Administrative expenses

The other operating costs are mainly composed of lawyer fees in relation to the monitoring of the Company's subsidiary and professional fees for tax, and audit. Audit fees for the fiscal year 2017 amounted to £ 28.000 compared to £ 45.000 for fiscal year 2016.

The company during the fiscal years 2016 and 2017 did not employ any staff .

Directors' remuneration

No Directors' remuneration was paid in 2017, compared to £ 909,778 in 2016 (of which £ 57,620 was directors' emolument and £ 852,096 was compensation for loss of office).

4 Investments in subsidiary undertakings

	2017	2016
	GBP '000	GBP '000
At 1 January	271,283	506,093
Additions	8,102	8,307
Disposals	-	(305,828)
Reversal of impairment	-	62,711
Reclassification to current assets	(279,385)	
At 31 December	-	271,283

During 2014, the Company acquired a 91% stake in ODDO BHF AG for EUR 315,800,000, which equated to GBP 259,039,744. The Company's parent, ODDO BHF Belgium S.A., acquired the other 9%.

The Company, following purchase price adjustments with regard to ODDO BHF AG increased the carrying value of the investment with GBP 8.1 million in 2017 (GBP 8.3 million in 2016).

In August 2017, ODDO proceeded to a capital increase in kind by contributing two German Group companies to the capital of ODDO BHF AG in return for a 13.04% stake, hence diluting the Company's 91% stake to 79.13%.

Following a subsidiary reorganization program undertaken by the parent to merge the Company with ODDO BHF Belgium S.A. via a cross border merger transaction within the next 12 months, the investments in subsidiary undertakings have been reclassified to current assets.

The Company has investments in the following subsidiaries.

	Country of incorporation	Percentage of equity shares held
Direct holdings		
ODDO BH FAG	Germany	79.13
BHF Grundbesitz-Verwaltungsgesellschaft mbH	Germany	100
Indirect holdings – ODDO BHF AG		
Industrie-Beteiligungs-Gesellschaft mbH	Germany	100
Bfl-Beteiligungsges. für Industriewerte GmbH	Germany	100
BHF Grundbesitz-Verwaltungsges. mbH & Co. am Kaiserlei OHG	Germany	100
BHF Private Equity Management GmbH	Germany	100
BHF Trust Management Gesellsch. für Vermögensverw. mbH	Germany	100
Frankfurt Family Office GmbH	Germany	100
Office Grundstücks-verwaltungsgesellschaft mbH	Germany	100
US Real Estate Beteiligungs GmbH	Germany	100
THG Beteiligungsverwaltung GmbH	Germany	50
BHF-Betriebsservice GmbH	Germany	100
BHF Private Equity Treuhand- und Beratungsgesellschaft mbH	Germany	100
Frankfurter Beteiligungs-Treuhand GmbH	Germany	100

Investments in subsidiary undertakings continued

BHF Group UK Limited

Frankfurter Vermögens-Treuhand GmbH	Germany	100
BHF Immobilien-GmbH	Germany	100
Aubrac MLP S.àr.L.	Luxembourg	100
BHF-Bank International S.A.	Luxembourg	100
BHF LUX IMMO S.A.	Luxembourg	100
FRANKFURT-TRUST Investment Gesellschaft mbH	Germany	100
FRANKFURT-TRUST Invest Luxemburg AG	Luxembourg	100
ODDO BHF(Schweiz) AG	Switzerland	100
BHF Zurich Family Office AG	Switzerland	100
Taunus GP S.à r.l.	Germany	100
ODDO BHF Asset Management GmbH	Germany	100
ODDO Seydler Bank AG	Germany	100

5 Taxation

Taxation is based on the results for the year and comprises:

	2017	2016
	GBP '000	GBP '000
Total taxation	-	-

The tax charge for the year is lower than the 2016 standard rate of corporation tax in the UK. The differences are explained below.

Factors affecting tax charge for the year

	2017	2016
	GBP '000	GBP '000
Profit before tax	1,857	115,141
Tax on profit on ordinary activities at standard rate of corporation tax in the UK of 19.25 % (2016: 20%)	353	23,028
Effects of:		
Expenses not deductible for tax purposes	37	39
Adjustment to prior year tax return for non-deductible expenses	-	-
Impairment on investments not deductible for tax purposes	-	-
Reversal of impairments not taxable	-	(12,542)
Capital gain from disposal of investment not taxable	-	(7,017)
Current year losses for which no deferred tax asset has been recognized	-	402
Other miscellaneous taxable items	-	28
Current year taxable profit off-set with tax carry forward losses	(390)	(2,998)
Non-taxable dividend income	-	(940)
Tax charge for the year	-	-

The tax losses carried forward at the end of the year 2017 amount to GBP nil (2016: GBP 2,008,389).

6 Cash at bank and in hand

	2017 GBP '000	2016 GBP '000
Intercompany held cash at bank	73,129	70,569
External held cash at bank	228	235
	73,357	70,804

7 Creditors falling due within one year

	2017 GBP '000	2016 GBP '000
Amount owed to parent and group undertakings	22,199	13,180
Accruals and other	68	289
	22,267	13,469

8 Called up share capital

	2017 GBP '000	2016 GBP '000
Authorized, allotted and fully paid: 2,649,380,306 ordinary shares of GBP 0.01 each	26,494	26,494
	26,494	26,494

9 Commitments and contingent liabilities

There are no outstanding commitments or contingent liabilities anymore per the year-end.

10 Directors' loans and other transactions

There were no loans or arrangements made to external parties on behalf of directors of the Company during the year or prior year.

11 Related party disclosures

Other than the amounts detailed in notes 7 about amounts owed to the Company's parent, remuneration paid to directors in note 3 and a bank account receivable balance with the ultimate parent company ODDO (amounting to GBP 73.1 million), there were no other related party transactions in the year.

12 Name change of Parent Company

With effect from 22 June 2017, the parent of the Company BHF Group S.A. changed its registered name to ODDO BHF Belgium S.A.

13 Ultimate parent undertaking and controlling party

At 31 December 2017, the Company's ultimate parent undertaking and controlling party was ODDO, a company incorporated under the laws of France. It is also the smallest and largest group in which the results of the Company, for the year ended 31 December 2017 is consolidated. The consolidated financial statements of ODDO BHF SCA are available on request from the Investors Relation department of ODDO BHF, 12 boulevard de la Madeleine, Paris (75009), France.

14 Financial risk management

As a result of its normal business activities, the Company is exposed to a variety of risks, the most significant of which are credit risk, liquidity risk and market risk. The Company manages its risk in line with the central risk management function of ODDO. ODDO Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, employees and the ODDO Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the ODDO Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the ODDO Group's strategic objectives.

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Company losing the principal amount lent, the interest accrued and any unrealised gains, less any security held. It occurs in intercompany assets held by the Company.

Maximum exposure to credit risk without taking into account collateral or credit enhancements can be found in note 7 to the financial statements.

As at 31 December 2017 there were no assets that were either past due or impaired.

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Company manages liquidity risk by maintaining sufficient cash to ensure it can meet its obligations as they fall due. Maturities of financial liabilities can be found in note 7 to the financial statements.

Financial risk management continued

Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. Market risk arises as a result of interest rates and exposures to changes in equity markets.

Sensitivity analysis

A movement in interest rates would not result in a substantial fall/rise in operating profit, as the cash at bank held, does not yield any interests.

15 Post balance sheet events

The parent company ODDO, as a result of a subsidiary reorganization program undertaken during the year has decided to merge the Company in the near future.

On 18 January 2018, the Board of Directors of the Company, approved a dividend payment to the shareholder of € 57 million, out of the retained earnings of the Company.

Other than this, no significant events have occurred since the Balance sheet date that affect the financial statements.